

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

October 30, 2008

NOTICE
OF
CONTRACT NO. 071B8200194
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR AT&T Mobility National Accounts LLC DBA AT&T Mobility P. O. Box 6463 Carol Stream, IL 60197-6493		TELEPHONE Ed McGlinchey (616) 575-5285		
		CONTRACTOR NUMBER/MAIL CODE		
Email: em2583@att.com		BUYER/CA (517) 335-4804 Douglas S. Collier		
Contract Compliance Inspector: Jack Harris				
STATEWIDE WIRELESS DATA SERVICES				
CONTRACT PERIOD: 2 yrs. + 3 one-year options From: October 1, 2008 To: September 30, 2010				
TERMS N/A	SHIPMENT N/A			
F.O.B. N/A	SHIPPED FROM N/A			
MINIMUM DELIVERY REQUIREMENTS N/A				
MISCELLANEOUS INFORMATION:				

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT.

Estimated Contract Value: \$1,400,000.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B8200194
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR AT&T Mobility National Accounts LLC DBA AT&T Mobility P. O. Box 6463 Carol Stream, IL 60197-6493		TELEPHONE Ed McGlinchey (616) 575-5285
		CONTRACTOR NUMBER/MAIL CODE
Email: em2583@att.com		BUYER/CA (517) 335-4804 Douglas S. Collier
Contract Compliance Inspector: Jack Harris		
STATEWIDE WIRELESS DATA SERVICES		
CONTRACT PERIOD: 2 yrs. + 3 one-year options From: October 1, 2008 To: September 30, 2010		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION: THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT. This Contract set forth the entire agreement between the parties with respect to the subject matter herein and supersedes all prior agreements, proposals, representations, statements, or understandings, whether written or oral. Estimated Contract Value: \$1,400,000.00		

FOR THE CONTRACTOR:

AT&T Mobility National Accounts LLC
DBA AT&T Mobility

Firm Name

Authorized Agent Signature
Cathleen M. Pryor

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature
Greg Faremouth, Director

Name/Title
IT Division

Division

Date



TABLE OF CONTENTS

1.001	PROJECT REQUEST	7
1.002	BACKGROUND.....	8
1.003	OUT OF SCOPE	8
1.004	ENVIRONMENT.....	8
1.1	WORK AND DELIVERABLES.....	9
1.2	Roles and Responsibilities	40
1.201	CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES	40
1.202	STATE STAFF, ROLES, AND RESPONSIBILITIES.....	41
1.203	OTHER ROLES AND RESPONSIBILITIES	42
1.3	Project Plan	42
1.301	PROJECT PLAN MANAGEMENT	42
1.302	REPORTS	43
1.4	Project Management	43
1.401	ISSUE MANAGEMENT	43
1.402	RISK MANAGEMENT	43
1.403	CHANGE MANAGEMENT	43
1.5	Acceptance.....	44
1.501	CRITERIA.....	44
1.502	FINAL ACCEPTANCE.....	44
1.6	Compensation and Payment	44
1.601	COMPENSATION AND PAYMENT	44
1.7	Additional Terms and Conditions Specific to this SOW	49
1.701	ADDITIONAL TERMS AND CONDITIONS (RESERVED)	49
	1) Article 2 – General Terms and Conditions.....	63
2.010	Contract Structure and Administration.....	63
2.011	Definitions.....	63
2.012	Attachments, Appendices and Exhibits	63
2.013	Statements of Work.....	63
2.014	Issuing Office.....	64
2.015	Contract Compliance Inspector	64
2.016	Project Manager	64
2.020	Contract Objectives/Scope/Background	65
2.021	Background	65
2.022	Purpose	65
2.023	Objectives and Scope	65
2.024	Interpretation	65
2.025	Form, Function and Utility	65
2.030	Legal Effect and Term	65
2.031	Legal Effect	65
2.032	Contract Term	65
2.040	Contractor Personnel.....	65
2.041	Contractor Personnel	65
2.042	Contractor Identification	68
2.043	Cooperation with Third Parties	69
2.044	Subcontracting by Contractor.....	69
2.045	Contractor Responsibility for Personnel	70
2.050	State Standards.....	70
2.051	Existing Technology Standards.....	70
2.052	PM Methodology Standards	70
2.053	Adherence to Portal Technology Tools	70
2.054	Acceptable Use Policy.....	70
2.060	Deliverables.....	70



2.061	Ordering	70
2.062	Software (Reserved)	71
2.063	Hardware	71
2.064	Equipment to be New and Prohibited Products.....	71
2.070	Performance	71
2.071	Performance, In General	71
2.072	Time of Performance	71
2.073	Liquidated Damages	71
2.074	Bankruptcy	72
2.075	RESERVED - Time is of the Essence	72
2.080	Delivery and Acceptance of Deliverables	73
2.081	Delivery Responsibilities	73
2.082	Delivery of Deliverables.....	73
2.083	Testing.....	73
2.084	Approval of Deliverables, In General.....	73
2.085	Process For Approval of Written Deliverables.....	74
2.086	Process for Approval of Services	75
2.087	Process for Approval of Physical Deliverables	75
2.088	Final Acceptance	75
2.090	Financial	75
2.091	Pricing	75
2.092	Invoicing and Payment Procedures and Terms	76
2.093	State Funding Obligation.....	77
2.094	RESERVED - Holdback	77
2.095	Electronic Payment Availability	77
2.100	Contract Management	77
2.101	Contract Management Responsibility.....	77
2.102	Problem and Contract Management Procedures	77
2.103	Reports and Meetings	77
2.104	System Changes	78
2.105	Reserved	78
2.106	Change Requests.....	78
2.107	Management Tools.....	80
2.110	Records and Inspections	80
2.111	Records and Inspections.....	80
2.112	Errors.....	81
2.120	State Responsibilities	81
2.121	State Performance Obligations	81
2.130	Security.....	81
2.131	Background Checks	81
2.140	Reserved	82
2.150	Confidentiality	82
2.151	Freedom of Information	82
2.152	Confidentiality.....	82
2.153	Protection of Confidential Information	82
2.154	Exclusions	82
2.155	No Implied Rights	83
2.156	Remedies	83
2.157	Security Breach Notification	83
2.158	Survival.....	83
2.159	Destruction of Confidential Information	83
2.160	Proprietary Rights.....	83
2.162	RESERVED - Source Code Escrow.....	83



2.163	Rights in Data.....	83
2.164	Ownership of Materials.....	84
2.165	Standard Software.....	84
2.166	Pre-existing Materials for Custom Software Deliverables	84
2.167	General Skills	84
2.170	Warranties And Representations.....	84
2.171	Warranties and Representations.....	84
2.175	Standard Warranties	88
2.176	Consequences For Breach.....	88
2.180	Insurance.....	88
2.181	Liability Insurance.....	88
2.190	Indemnification	90
2.191	Indemnification	91
2.192	Continuation of Indemnification Obligations	91
2.193	Indemnification Procedures.....	92
2.200	Limits of Liability and Excusable Failure.....	92
2.201	Limits of Liability	92
2.202	Excusable Failure.....	93
2.203	Disaster Recovery	93
2.210	Termination/Cancellation by the State.....	93
2.211	Termination for Cause.....	94
2.212	Termination for Convenience	94
2.213	Non-Appropriation	94
2.214	Criminal Conviction	95
2.216	Rights and Obligations Upon Termination.....	95
2.217	Reservation of Rights	96
2.218	Contractor Transition Responsibilities.....	96
2.219	State Transition Responsibilities	96
2.220	Termination by Contractor	97
2.221	Termination by Contractor.....	97
2.230	Stop Work.....	97
2.231	Stop Work Orders.....	97
2.232	Cancellation or Expiration of Stop Work Order	97
2.233	Allowance of Contractor Costs	97
2.240	Reserved	97
2.250	Dispute Resolution	97
2.251	In General.....	97
2.252	Informal Dispute Resolution	98
2.253	Injunctive Relief	98
2.254	Continued Performance	98
2.260	Federal and State Contract Requirements	98
2.261	Nondiscrimination.....	98
2.262	Unfair Labor Practices.....	99
2.263	Workplace Safety and Discriminatory Harassment	99
2.270	Litigation	99
2.271	Disclosure of Litigation	99
2.272	Governing Law	100
2.273	Compliance with Laws.....	100
2.274	Jurisdiction	100
2.280	Environmental Provision.....	100
2.281	Environmental Provision.....	100
2.290	General.....	101
2.291	Amendments	101



2.292	Assignment.....	101
2.293	Entire Contract; Order of Precedence	101
2.294	Headings	102
2.295	Relationship of the Parties (Independent Contractor Relationship)	102
2.296	Notices	102
2.297	Media Releases and Contract Distribution	103
2.298	Reformation and Severability	103
2.299	Consents and Approvals	103
2.300	No Waiver of Default	103
2.301	Survival.....	103
2.302	Covenant of Good Faith	103
2.303	Permits	103
2.304	Website Incorporation	103
2.305	Taxes.....	104
2.306	Prevailing Wage	104
2.307	Call Center Disclosure.....	104
2.308	Future Bidding Preclusion	104
2.310	Reserved	104
2.320	Extended Purchasing	104
2.321	MiDEAL	104
2.330	Federal Grant Requirements	105
2.331	RESERVED - Federal Grant Requirements.....	105
2)	Exhibit A	106
3)	Area Coverage Maps.....	106
4)	Exhibit B Pricing	107
5)	Exhibit C Approved Hardware	134
6)	Exhibit D	135
7)	Account Rep Info.....	135
8)	Exhibit E Program Description.....	136



Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (State), through the Michigan Department of Management & Budget (MDMB), with assistance of the Michigan Department of Information Technology (MDIT), has issued this Contract to provide Cellular Voice, Voice with Push-to-Talk, Data, and Paging Services as defined herein. The Contract is also designed to allow for MiDEAL and associated agencies including E Rate Discounts funding available through Universal Service Funds Program for all Michigan Schools and Libraries, see <http://www.usac.org/sl/> # 571590000625733.

The contractor will be allowed at the State's option to provide revised pricing, to allow for greater cost savings and new programs and technologies bi-annually.

Cellular voice service includes wireless voice transmission. Cellular voice and Push-to-Talk (PTT) service includes wireless voice transmission with two-way PTT functionality. Data service includes wireless data transmission for e-mail and Internet access. Paging service includes analog and/or digital transmission. Equipment includes, but is not limited to, all equipment necessary to use the cellular voice, data, and paging services (e.g., handsets, handheld devices, wireless PC cards, Blackberry-like devices, PDA devices, pagers, car kits, hands free kits, spare batteries, chargers, cases, belt clips, etc.).

The State has defined the requested services in the following service packages:

- a. Package A is the standard voice and optional data offering associated with cellular service. Primary usage being person-to-person voice communication. While the majority of the State's cellular spend is primarily for cellular voice service and handsets, Blackberry and Blackberry-like devices are becoming more popular and as such must be addressed as part of any service offering.
- b. Package B is standard cellular voice service with Push-To-Talk (PTT) and optional data services.
- c. Package C is for wireless PC data cards and, associated service, and data services for packages A and B.

Scope of Work and Deliverables

AT&T will provide the following to the State of Michigan and its associated agencies:

- a. Cellular voice service and equipment with optional data service
- b. Cellular voice with Push-To-Talk (PTT) service and equipment with optional data service
- c. Cellular PC data cards and service
- d. Web-based catalog and ordering
- e. Billing with electronic detail for analysis and management
- f. Customer service and support
- g. Inventory and usage reporting and optional consolidated billing
- h. Training
- i. Transition services (as required)

A more complete description of the supplies and/or services sought for this project is provided in Section 1.1, Work and Deliverables and Section 1.201, Roles and Responsibilities.

The State seeks to have services begin with full implementation of the web-based catalog system as agreed upon within 60 days of the request.

Acronyms, Appendices, Attachments & Exhibits

The following Appendices are included with this Contract:

Appendix A - List of Michigan Counties

Appendix B - Pricing Table

Appendix C - Glossary of Terms



1.002 BACKGROUND

As part of MDIT's Bureau of Infrastructure Services, the Telecommunications Division provides for the telecommunications and network needs of state government in Michigan, ensuring that the state's communications requirements are met, and ensuring that all voice and data networking components and services necessary to perform the business functions of state government agencies are provided.

The cellular voice, data, and paging services will, in general, be administered at the State Agency level. Overall program coordination and contract monitoring will be provided by the MDIT Telecommunications Division.

The state offers no guarantee of the number of subscribers, or usage volumes. The State reserves the right to procure equipment and services from other sources at the discretion of the State.

The goals of this Contract are to:

- Provide statewide cellular and paging services.
- Improve statewide coverage for cellular.
- Reduce costs as required by the directive referenced above.
- Maintain control of the State's cellular and paging costs.

AT&T shall follow the State methods, policies, standards and guidelines that have been developed. AT&T is expected to provide its services that conform to State IT policies and standards. All services and products provided must comply with all applicable State IT policies and standards. Requests for exceptions to State IT policies and standards must be made in accordance with MDIT processes. It will be the responsibility of the State to deny the exception request or to seek a policy or standards exception.

The links below will provide information on State of Michigan IT strategic plans, current environment, policies, and standards.

Strategic Plan:

<http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html>

Enterprise Policies, Procedures and Standards:

<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>

State of Michigan Project Management Methodology (PMM)

http://www.michigan.gov/dit/0,1607,7-139-30637_31101-58009--,00.html

The State's Project Management Methodology (PMM) must be followed.

AT&T shall comply with all security standards and the security access requirements for individual State facilities.

1.003 OUT OF SCOPE

The following are outside the scope of this Contract:

1. Verification and validation of business requirements
2. Maintenance or repair of State telecommunications infrastructure

1.004 ENVIRONMENT

Information regarding the State's information technology architecture and standards for hardware, database applications, network hardware and monitoring tools, identity management/authentication and development tools may be found at: <http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>.



1.1 WORK AND DELIVERABLES

AT&T will provide the equipment, services, customer support/service, and otherwise do all things necessary for or incidental to the performance of work, as set forth below.

A. General Service Requirements

Contractor acknowledges the following requirements, and agrees to provide the goods and services necessary to meet the following. The parameters include, but are not limited to:

1. Contractor shall adhere to all local, state and federal regulatory agency requirements.
2. Contractor shall maintain service and quality levels at or above industry standards so as to minimize impaired services, low transmission, transmission interference, and similar deficiencies.
3. The Contractor shall not attempt to hold the state responsible for personal cellular telephone account charges incurred, or any actions resulting from improper or illegal use of cellular equipment / accessories acquired under this Contract, or on cellular service accounts established for personal use, as opposed to accounts established as State business accounts.
4. For personal cellular or pager accounts established under the employee savings option offered through this contract(s), employees shall be personally responsible for all charges incurred on their individual accounts.
5. Customers accessing service under the ensuing Contract(s) for business purposes shall not be subject to any financial/credit application, nor be denied service of any nature.
6. No direct Contractor or Contractor-sponsored telemarketing or commercials will be allowed targeting cellular or paging equipment or services to State of Michigan government (Executive Branch) business or employees without the express approval of the contracting authority (DMB buyer or contract administrator). The Contractor agrees to block and prevent such from occurring.
7. All equipment shall comply with applicable published safety standards including, but not limited to:
 - a. National Council on Radiation Protection and Measurements (NCRP).
 - b. American National Standards Institute (ANSI).
8. Contractor has provided a detailed description of any infrastructure requirements for the Wireless (cellular, data and paging) Telecommunications Services requested.
9. Contractors has provided Network Technology and Architecture details for the following and agrees to provide updated information (as available upon request) :
 - a. A current description of your wireless service including the technology used.
 - b. Explain the technological advantages of the wireless network your company offers.
 - c. Provide current measures to ensure network security.
 - d. Provide your network trouble monitoring capabilities.
 - e. Provide your network's availability and reliability.
 - f. Provide how you will handle a major service disruption or a disaster causing an outage.
 - g. Meet service levels agreements you offer.

B. Voice, Data, Push-To-Talk, and Pager Coverage

1. State of Michigan

Contractor shall:

AT&T agrees to provide service area coverage maps every six months during the Contract period to reflect changes in coverage or as new coverage becomes available. For up-to-date coverage information, please visit <http://www.wireless.att.com/coverageviewer/>

2. International Coverage

- a. International coverage is provided; Contractor shall provide detailed in-network and off-network voice and data coverage maps for Canada and Mexico as requested and as new update are available.
- b. Contractor shall also provide an updated list of additional countries with voice and/or data coverage upon request and as new update are available.
- c. Contractor shall provide updated maps every six months during the Contract period to reflect changes in coverage.



AT&T has read and confirms its understanding. Please visit our website at: <http://www.wireless.att.com/travelguide> for a full listing of countries that support AT&T coverage.

3. Continuation of Service Coverage

- a. Throughout the term of the contract, the Contractor must provide the same or better level of coverage as that proposed and promised in their response to this solicitation.

4. Performance Testing Period

- a. Contractor shall provide each user of services (hereafter "subscriber") a 30-day performance testing period to test equipment and/or coverage, commencing at the later date of either service activation or equipment receipt.
- b. During this performance testing period, the subscriber may cancel service if coverage and/or service is not acceptable (e.g., consistently dropped calls, poor signal strength, call quality, or pages not received) and will incur no activation charges or termination penalties.
- c. The State will incur standard service charges during this performance testing period.
- d. Contractor will provide a full refund for purchased equipment that is returned during the performance testing period.

5. Coverage Improvement - Consistently Dropped Calls or Missed Pages

- a. If the contractor's coverage is found to be inadequate or deficient in areas where the contractor identified in their proposal as having adequate coverage, the contractor shall:
 - i. Describe the process that will be used to improve coverage.
 - ii. Describe the criteria, conditions and procedures that will be used to resolve inadequate coverage issues.
 - iii. Commit to a reasonable time frame for correction of the deficiency.
- b. and annually thereafter, Contractor shall advise the State of new tower or site deployment plans within the State of Michigan. This requirement applies not only to the Contractor, but also any roaming partners utilized within their proposal.
- c. In Michigan, active calls are to be maintained (not dropped) when traveling from the Contractor's network to a roaming partner's network (both directions).

6. Coverage Outages

- a. Contractor must notify the State's Designated Program Manager and the ATCs at least two (2) weeks in advance of any planned service outages and/or scheduled maintenance.
- b. This notification must include impacted coverage areas and an estimated duration of the outage.
- c. Notice shall be provided in a method approved by the State.
- d. Contractor shall pro-rate invoices, where coverage outage is 24 hours, a full day of service for each subscriber for each 24 hour period.
- e. If service is unavailable in a county as a result of an unplanned outage for more than one (1) hour, a full one day service credit shall be provided by Contractor for all subscribers in the county. Measurement shall be when State subscribers in a covered county, either roaming or direct service, report that service has been unavailable for more than one hour.

C. Package Requirements

1. Packages for Voice and Data Services— The following features and services shall be included regardless of the phone or plan selected:

- a. Owners manual
- b. Voice mail
- c. Caller ID
- d. Message waiting indication
- e. Three-way calling



- f. Internal directory
- g. Call waiting
- h. Call forwarding
- i. Call log including missed calls, dialed calls and received calls
- j. Battery status
- k. Indication of service (none, roaming, home)
- l. Detailed billing
- m. No charge for incomplete calls, busy/no answer, or dropped calls

2. Voice and Data Services Packages – The following features are to be excluded regardless of the phone or plan selected:

- a. International calling – with the ability to activate on a case-by-case basis
- b. Online games
- c. Direct bill for digital goods or games
- d. Information services such as sports or stocks
- e. Advertisements
- f. Ability to download music or videos
- g. Calls to entertainment lines must be blocked ("900" numbers, etc.)

3. Standard cellular voice services and equipment with optional data service. The primary usage being person-to-person voice communication.

- a. Package must include:
 - i. Rates that include activation, access, roaming and domestic long distance, plus the base phone charges.
 - ii. No charges for unanswered calls.
 - iii. Unlimited member-to-member or "group" calling (may not be included in the fixed rate per minute plan – see pricing section).
 - iv. Free nights and weekends to start at preferred 7pm (may not be included in the fixed rate per minute plan – see pricing section)
 - v. Domestic long distance is included when placing calls in the home airtime rate and coverage area
- b. Provided are the standard service offering and features that will be included in the Contractor's package.

Standard service offerings include:

- Detailed Billing
- Three-Way Calling
- Call Forwarding
- Caller ID
- Unlimited Mobile to Mobile Calling
- Call Waiting
- Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone
- Long Distance

- c. Contractor to provide the following information for voice mail,
 - i. Identify the standard announcement(s) and their ability to be modified for each phone.
 - ii. Identify the maximum length of a single message
 - iii. Define the total voice mail storage per subscriber
 - iv. Identify the duration of voice mail message retention.
 - v. Describe the use of a security code to retrieve voice mail messages from the subscriber's cell phone.
 - vi. Describe how connect time minutes will be effected when retrieving voice mail messages.



Voicemail Feature	Basic	Enhanced
Pricing	\$0.00- included with all plans	\$1.99 Please see Exhibit E Program Description pricing chart for most current Pricing
Greeting length - maximum	1:00	2:00
Message length - maximum	2:00	3:00 4:00 - PAC & South East Markets Only
# of messages - maximum	20	40
Days messages kept - new	14 22 - PAC & South East Markets Only	21 30 - PAC & South East Markets Only
Days messages kept - saved	14	21 30 - PAC & South East Markets Only
Deletion Warning	No	Yes, resave option available
Group Distribution Lists - maximum	No	15 with up to 25 users/list
Mobile access - password required	Yes	Yes
Landline access - password required	Yes	Yes
Cut Through Paging	Yes	Yes
Pager Outcall Notification / Numeric Messaging	No	Yes
Rapid Reply	No	No Yes - coming in 2006
Resave Messages	No	Yes
Spanish Prompts	Yes	Yes
Undelete messages (coming in April 2006)	No Yes - PAC & South East Markets Only	No Yes - PAC & South East Markets Only
Ability to Forward Messages to other subscribers	No	No
Feature Definitions		
Deletion Warning (Resave Messages)	The deletion warning allows a customer to review messages that are about to expire from the voicemail box. When customer dials into voicemail, they will receive a warning that they have messages that are about to expire and can review the messages before they are expired/deleted. The customer w/Basic VM does not have the option to resave, the customer with Enhanced VM does.	
Group Distribution Lists - maximum	Save time with Group Distribution Lists and send messages to multiple parties. From the Main Menu, 1. Press 4 for Personal Options 2. Press 2 for Administrative Options 3. Press 2 to Establish Group Distribution Lists, and follow the prompts.	
Mobile access - password required (Skip Password)	Skip Password Save time accessing Voice Mail from your wireless handset. Just a one-time password setup-that's it. Press and hold 1 from your wireless handset to go straight to your voice mail. When accessing your voice mail from another phone, your password will be required. To require a password for all calls from the Main Menu, 1. Press 4 for Personal Options 2. Press 2 for Administrative Options 3. Press 1 for Password and follow instructions to turn on your password	



Feature Definitions	
Landline access - password required	To access your voice mail from another phone (other than your wireless phone) <ol style="list-style-type: none"> 1. Dial your 10-digit wireless number 2. Press star (*) 3. Enter your password)
Cut through Paging	Following the personal greeting, callers can press 5 to leave a call-back number instead of, or in addition to a voice message. The voicemail subscriber will receive a text message on their phone with the caller's telephone number or numeric message.
Pager Outcall Notification / Numeric Messaging	Once a caller has left a message, the voicemail subscriber will receive a numeric page via their paging service that a voicemail has been deposited.
Rapid Reply	Rapid Reply will allow the Enhanced Voicemail subscriber to Allows the customer to return a message from the wireless phone with the push of a single button. This feature is scheduled for launch in 2006.
Undelete messages (coming in April 2006)	As long as you haven't exited the voice mail session, press 1 then 9 to listen to your deleted messages. To recover a message, press 9 again. This feature is scheduled for launch in 2006.
Ability to Forward Messages to other subscribers	This feature is not available on the Lucent Anypath platform (since June 1, 2005.)
Spanish or English Prompts	To change your menu options to Spanish or English, go to the main menu and <ul style="list-style-type: none"> ▪ press 4 to change your personal options ▪ 8 to change mailbox language ▪ 1 to hear your mailbox prompts in Spanish OR ▪ 2 to hear your mailbox prompts in English

d. **Picture Phones services:**

- i. Contractor must provide process for transferring photos via the network and provide pricing in the pricing section.
- ii. Contractor must provide process to transfer the cell phone to a PC and Laptop.
- iii. Contractor must provide process for handset capabilities to perform the above 2 functions.

e. **Optional Charge Features**

- i. The prices for Optional features are provided in the pricing section.

f. **Voice Priority Services**

- i. In the event of a natural disaster or emergency, Contractor shall provide priority voice cellular service to State employees with critical job duties that are responsible for responding to such events. Priority access is defined as giving State authorities, in times of emergency, access to a Contractor's network ahead of the general public.
 1. Based upon the disaster or emergency, the agencies or entities include, but are not limited to, law enforcement (both state and local), Governor's office, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police Emergency Management and Homeland Security Division, Michigan Department of Health and other first responders. This list is not all inclusive.



Wireless Priority

Make Your Calls a Priority

AT&T Wireless Priority Service gives emergency agencies priority handling for emergency calls in heavy network traffic. Now, the Departments of Defense and Homeland Security and civilian agencies have the priority access they need to help ensure they get their mission-critical calls through without delay. Wireless Priority Service is available nationwide, providing consistent and reliable service when you need it most. The result of the ability to contact key decision makers in times of emergencies is improved response time and better reactions.

Simple Process When Speed is Critical

- Once your end user's SIM card is registered with Wireless Priority Service
- They can dial *272 plus the number you wish to reach.
- Their call will be flagged as urgent communication and given priority to be connected over the next available channel
- Obtain approval from the National Communications System (NCS)

2. Provided are levels of priority, with a description of each level.

WPS is only available to customers (State) and the government's agent, Computer Science Corporate (CSC), qualifies. This includes the following:

- State and local Government agencies
- Federal Government Agencies
- Emergency and law enforcement agencies
- Critical Infrastructure leaders

3. There are limitations as to the number of phones that may have priority access; capacity follows the same as network.

4. Provided are the procedures required to apply for and initiate priority service, and any additional processes or procedures required of the State to specify those needing priority status.

AT&T stated The State should contact its designated account manager to apply and assign priority status. The account manager will provide and process the necessary enrollment forms.

5. In the pricing section, AT&T has listed any airtime or per call fees associated with priority service.

6. Described below is how AT&T will negotiate with other carriers to provide the State with priority service during local, state and federal state of emergency(ies).

AT&T works closely with all carriers to ensure that high priority customer receive service during local, state and federal state of emergencies. AT&T has a long history of responding to national and local disasters. In addition to having a redundant, self healing network, we have quick responding disaster recovery personnel that can re-establish service during the most wide spread and critical disasters such as 911 and Katrina. It is the priority of AT&T and the entire telecommunications industry to ensure that government agencies receive the highest priority to be able to respond in times of need.

7. AT&T will make available test service for a thirty day period for up to ten personnel as requested for periodic testing.



AT&T allows for a 30-day, risk-free trial of our equipment. If you are not completely satisfied, you can return your undamaged phone for a refund in first 30-days and pay only for airtime and usage charges.

In some instances, AT&T provides wireless phones, data equipment and related services to an external targeted customer group to experience our networks, our unique promotions and offers, and new equipment.

- **Equipment Demo Program.** A demo line refers to equipment rotated into accounts assigned to the customer for short- term trials or demonstration. Demos are for less than 30 days and less than five devices.
 - **AT&T Pilot Program.** Pilot lines refer to more than five devices provided for a specific customer, with a specific evaluation for a period of time that exceeds 30 days.
- ii. In addition to priority access, agencies or entities which do not currently use cellular services may need to have access to such services during an emergency. Contractor must have the ability to provide a bank of cellular phones with priority access for use during a natural disaster or emergency.
1. Number of phones available for such emergencies is unlimited. Please note that these spare devices would need to be purchased.
 2. Provided are procedures for obtaining these phones. All cost must be detailed in Section 1.601, Compensation and Payment.

AT&T will provide free two-day shipping to the customers, at the desired shipping address. Ordering of product/devices/accessories will be determined in a manner most effective to the customers needs.

- iii. AT&T participates in Wireless Priority Service (WPS). Some agencies within the State receive emergency preparedness grants. These grants require WPS access for key response personnel. Therefore, the State reserves the right to go a vendor outside the contract if the awarded Contractor does not participate in WPS.

AT&T participates in Wireless Priority Services.

1. Described is data services available under WPS, and, pricing per kb is in pricing section. Currently, Wireless Priority services are not available for most data services. This is common, because data services typically put less capacity strain on a cellular network. AT&T Mobility currently has much more spectrum and capacity in the State of Michigan, therefore with our dedicated EDGE data channels, we are the carrier with the strongest ability to allow data traffic during times of peak usage.

g. Emergency Use ONLY Phone Services

- i. This service would provide basic voice calling only. No voicemail or other call features. The handset would also be minimal – No picture phone or other additional cost hardware features.

h. E911 Capabilities

- i. E911 capabilities and AT&T plans to keep abreast of the associated industry regulations.

The Federal Communications Commission (FCC) issued a consumer advisory critical of wireless carriers and local governmental entities regarding the preparation for and implementation of enhanced 911, or E911, service. With deployment of E911 phase II capability, public service answering points (PSAP's, which operate 911 services) can better approximate the location of a caller who used a wireless phone to call 911.

In its advisory, the FCC urges consumers to ask key questions of their wireless carrier as well as their local public safety officials to determine the status of E911 in their area.



In its consumer advisory, the FCC correctly noted that E911 “is complicated and requires expensive upgrades” by local PSAP's. Once a PSAP has a funding source for these upgrades and certain database connections, it can request a wireless carrier to implement E911 services. AT&T is currently tracking the status of E911 services requested by more than 350 local entities, such as municipalities or county governments.

In some cases, AT&T has responded to a request from a PSAP to implement E911 services and deployed E911 hardware and software, only to find that the PSAP was not yet ready to implement. In addition, E911 implementation varies widely even among local entities in close proximity to each other, such as a municipality inside a county. For this reason, the best source of information on E911 status is from local public safety officials.

However, AT&T is working to provide consumer-friendly answers to the FCC consumer advisory questions. The answers below are approved for use with customers.

- ii. Identified are areas of the State that have voice services and the Contractor or its roaming partners network that do support E911, AT&T supports E911 in all areas where our network is present.

i. Number Portability Requirement

- i. All existing State cellular numbers shall remain the same for individual users without charge.

AT&T has implemented and is fully functional on our LNP systems. We developed our systems in accordance with the industry's "Wireless Inter-carrier Communications Interface Specifications for Local Number Portability", which is also being used by other carriers.

AT&T actively participates in the industry LNP working groups and test efforts between carriers. To make every effort to ensure the porting process is as efficient as possible, we've added a Porting Administration Group and Inter-carrier Relations Management Team to address porting issues with other carriers.

The LNP Process

1. After checking to confirm that your phone number is eligible to be ported, you can sign up for service with AT&T. In order to port your number to us, you will need to supply information about your existing account exactly as it appears in your current carrier's records.
2. We submit the porting request to your current carrier. Your current carrier then verifies the information to confirm it is accurate and the number is eligible for porting. Your carrier might request additional information if the information provided does not exactly match its billing records.
3. When your old carrier has all the information it needs, your number gets ported to AT&T.
4. AT&T then notifies the Number Portability Administration Center (NPAC) that your number now works on our network. The NPAC was set up by the telecommunications industry to handle number switching.
5. The NPAC sends a message to all carriers—including a re-confirmation to AT&T, saying that the transfer has been made. At this point, your old carrier disconnects your service.
6. After the NPAC message is received, your number has been officially ported and you can send and receive calls on your phone. You can now enjoy the benefits of reaching out on the wireless service America trusts.

The incentives we will provide to The State end users to port to our service include providing the best nationwide coverage with our ALLOVER digital network, best-in-class business customer support, a selection of compelling devices, and the best overall value in the wireless industry.



j. **Voice Handsets**

- i. Contractor's standard base handsets shall include:
 1. An AC wall charger, belt-clip and a 12 volt car charger.
 2. A hands-free operation kit.
 - a. A standard earphone jack is required
 - b. If a standard earphone jack is not available on the handset, an earpiece with a compatible phone jack or other hands-free device must be included in the base phone(s) package.
 - c. Describe hands-free options for cell phones and provide pricing in the pricing section.
- ii. AT&T will provide standard handsets, that is, the handsets that will be included as part of the base service and features supported upon request see appendix for pricing and equipment.
- iii. Special handset requirements:
 - a. Selected agencies require handsets with NO picture phones or other special features.
 - b. Selected agencies require picture phones and associated services.
- iv. Provided is how handset service or coverage have to be updated In the event that a handset is in need of an update, information can be sent to remedy this problem by Over-the-Air transmission.
- v. AT&T must provide support for Blackberry devices with no diminution of present support services. The State's present Blackberry solution uses RIM-provided software to connect to GroupWise and Exchange servers. The State uses RIM services to connect to the cellular providers. There are no direct connections from the State to cellular providers for Blackberry support.
- vii. Described are PDA's and features supported. Note: Few PDA's are in use at the State and they are presently not directly connected to GroupWise or Exchange like the Blackberries.

Palm, Inc.

AT&T maintains a close alliance with Palm, Inc. in driving quality and innovation for the Treo product line. We were the first carrier with a dedicated Palm, Inc. enterprise sales support team and we have over a dozen e-mail and line of business applications that have successfully completed our rigorous testing and certification process. AT&T is the only carrier to offer the Treo 650 that can take full advantage of quad-band GSM functionality with support for both 850/1900 MHz domestically and 900/1800 MHz abroad. The quad-band GSM Treo 650 provides voice roaming in over 180 countries and GPRS data roaming in over 100. Users can enjoy nationwide EDGE coverage with both Treo devices on the AT&T network.

Microsoft

AT&T offers a broad portfolio of Microsoft Windows Mobile devices, including both rugged and non-rugged Smartphone and Pocket PC devices. We were the first to market with a Windows Mobile Smartphone and the first carrier to support a Windows Mobile EDGE solution, a Windows PPC 2003 edition device and an integrated data/voice capable rugged handheld with the Intermec 760. We have worked with Microsoft to develop customer trial programs and have dedicated resources within Microsoft to ensure that our customers get the attention they deserve from the account team. Today, we support more than 75 email and line of business applications for Windows Mobile, all of which have successfully completed our network testing and certification process.



a. AT&T provides voice dialing capabilities

Description:

- VoiceDial is available to new postpaid and Prepaid GoPhone Pick Your Plan customers.
- Post paid subscribers receive their first month of VoiceDial service free!
- VoiceDial is an easy, convenient way to dial by voice and enjoy hands-free calling.
- Use your voice to make a call by name or number. Just dial *8, *08 or #121, say "Call John Smith at work" or "call 4-2-5-4-5-5-2-3-4-5" and VoiceDial places the call for you.
- The VoiceDial address book allows users to store up to 2,000 contacts with up to four phone numbers per contact.
- 20 contacts can be added to the VoiceDial address book over the phone by saying "Add Name."
- Add or import contacts at the VoiceDial address book
- VoiceDial customer can use VoiceClip to send a message directly to a contact's wireless phone, with a Text Message (SMS) notification instead of ringing their phone.
- VoiceDial customers have access to VoiceInfo services like news, sports, weather, and more. Just dial *8 and say "VoiceInfo."
- Mobile to Mobile calls are eligible via VoiceDial except TDMA.

How to Use:

Common Tasks	Say this	Details
Initiate VoiceDial		Dial *8 from the wireless phone
Dial a contact from your address book by name	"Call John Smith at home."	Say "Call" followed by the name and type of number (work, wireless, home or extra) you would like to dial.
Send a VoiceClip to a contact	"Message John Smith."	Say "Message" + the name or wireless phone number. VoiceDial will only send to wireless phones.
Dial a contact by number	"Call 8-8-8-2-4-6-4-8-5-2."	Say "Call" followed by the phone number you would like to dial.
Add a contact to your address book	"Add Name"	
Access VoiceInfo	"VoiceInfo"	
Get help with VoiceDial	"Help"	Get assistance relevant to where you are in the system.
End the VoiceDial call	"Goodbye"	Or press the end call button
Return to the VoiceDial main menu after completing a VoiceDial call		Dial ## on your keypad
Return to the VoiceDial main menu from elsewhere in VoiceDial or VoiceInfo	"Main Menu"	

- viii. Subscriber contacts must be capable of being loaded to the hand-set; or network and used for voice dialing.
- ix. Contacts and calendar information must be capable of being transferred between subscriber handsets for new and existing subscribers.
- x. Provide Bluetooth support, in particular, for hands-free operation.

AT&T offers a wide variety of Bluetooth handsets and headsets, complete with instruction manuals detailing their proper use and operation.



l. "411" Service

- i. Described is "411 service availability and charges for this option. Directory Assistance provides services for AT&T customers needing local and national *411 assistance including telephone numbers and addresses of business, government, and residential listings throughout the United States. Advise the customer that each time they use Directory Assistance; they will be charged \$1.79 per call plus airtime (Refer to prices for these features in the pricing section).

4. Combined Voice and Push-to-Talk (PTT) with Optional Data Services

a. Secure Network Access

Contractor must have secure network access, such as the ability to encrypt voice/PTT calls.

b. Transmission Delay (Latency)

Contractor shall provide information regarding the transmission delay for connection through PTT service and provide updates to this information through the term of the contract should this information change.

- i. AT&T's current average transmission delay (in seconds) for connection setup through PTT service is between 8-12 seconds

c. Calling Group Setup

AT&T shall provide subscribers with the ability to set up calling groups for PPT functionality at the same time the PTT service is activated.

AT&T PTT supports up to 30 fixed groups and up to 7 ad hoc groups (Quick Groups, as described above), including initiator. AT&T PTT allows group member status reporting capabilities both pre-call and during call (see above). Feature use instructions (general and handset specific) include and an instructional trifold that comes with the phone, a Flash demo available 24/7 on AT&T.com and device specific online tutorials.

d. Online Management of Calling Groups

AT&T shall provide subscribers with the ability to create edit and manage calling groups online.

e. Calling Group Membership Limitation

AT&T shall provide the ability to limit the numbers that can be connected via PTT. Described is the method to accomplish this. Users have the ability to block numbers from groups.

f. Calling Group Size

Provided is calling group size, and AT&T will provide updates to this information through the term of the contract should this information change.

AT&T PTT supports up to 30 fixed groups and up to 7 ad hoc groups (Quick Groups, as described above), including initiator. AT&T PTT allows group member status reporting capabilities both pre-call and during call (see above). Feature use instructions (general and handset specific) include and an instructional trifold that comes with the phone, a Flash demo available 24/7 on AT&T.com and device specific online tutorials.

g. PTT Measurement

PTT Services is provided at a price point for pay per use, 500 minutes per month, or unlimited PTT. All services include the same price for Group PTT (group PTT does not incur an additional cost). PTT usage is invoiced/measured by the minute.



h. Voice and PTT Priority Services

In the event of a natural disaster or emergency, PTT Service with AT&T Mobility, currently does not have Priority access over regular service. PTT service can not be used in conjunction with WPS or GETS.

i. Hybrid Service

Not applicable.

j. Emergency Use ONLY PTT Plans and Phones

The State of Michigan will have the opportunity to purchase cellular phones that have the ability to make mobile to mobile calls and PTT calls only.

5. Data Services for PC Cards and Optional Data Service

AT&T described its ability to provide the following capabilities and services:

- a. A high speed data service transfer rates that exceed data download rates of 256 KBPS and upload rates of 50 Kbps.
- b. A low speed data service with download transfer rates below 150 Kbps available statewide

This is provided via our UMTS / HSDPA technology. AT&T offers the following wireless data technologies:

- GSM. World's most popular wireless technology, which is used by more than 2.2 billion people in more than 210 countries and territories.
- GPRS. Available throughout our GSM network, including 270+ million POPs
- EDGE. Available throughout our GSM network, offering the largest wireless data network nationwide, including 250+ million POPs
- UMTS. 3G technology providing voice and enhanced data capability that includes broadband speed throughput with low latency. Co-exists with GSM/GPRS/EDGE.
- HSDPA. High speed evolution of GSM/EDGE which shares a common core network.
- BroadbandConnect. 3G technology based on UMTS/HSDPA. BroadbandConnect is now available in 165 major markets.

c. Services:

- i. Email using PTT technology
- ii. Calendar synchronization
- iii. Ability to view attachments
- iv. Document access
- v. Web mail interface
- vi. Personal contact access
- vii. Internet web access
- viii. POP3 Web-mail interface
- ix. Access to GroupWise
- x. Access to Microsoft Exchange
- xi. Push to X features (for example one push picture send)
- xii. Presence for IMS

d. AT&T provided 'Other' data services.

AT&T Mobility also provides the opportunity for the State of Michigan to purchase WWAN backup, which will provide for remote/temporary access to the internet. This can be used to establish a temporary internet connection (broadcasted on WI-FI), tracking of retail activity, monitor of weather or road conditions, monitoring of speed/traffic/red light infractions. AT&T Mobility can even provide WWAN back up in the event of a network outages, services can be rerouted across our cellular network when a LAN router or connection is lost.



- e. The Contractor's network must provide security via authorization and encryption. The following is an overview of AT&T's security measures.

Airlink encryption on the AT&T GSM Network

AT&T is committed to employing the latest encryption technology to help subscribers achieve robust security. When discussing security it is important to recognize:

- The A5 Airlink encryption method used by the AT&T Global Packet Radio Service (GPRS) service has been determined to be secure and is standard with all global GPRS carriers. Airlink encryption is a feature inherent in GPRS, but not in CDMA, 1xRTT or 1xEVDO technology.
- Almost every Internet browser supports the security protocols such as SSL and WTLS.
- Authentication of the GPRS device and user helps protect customers against fraudulent use of a lost or stolen device.

Inherent Encryption

AT&T protects data transmission at a number of layers:

- Secure Sockets Layer (SSL), which is now supported almost ubiquitously by browsers.
- Wireless Transport Layer Security (WTLS) is the security layer for WAP, which provides privacy, data integrity and authentication for WAP services. WTLS provides encryption and client-server authentication.
- Native A5 encryption provided inherently by AT&T GPRS service on the Airlink, and authentication of the wireless device. There is also a mechanism for authenticating the actual user through the GGSN and/or the application. This feature helps to protect customers against fraudulent use of a lost or stolen GPRS device.

Airlink encryption is achieved by applying a special ciphering algorithm A5 to the bit sequences transmitted in both directions. Deciphering employs the same algorithm. In addition to this algorithm, the base transceiver station (BTS) and mobile station (MS) need identical values of the ciphering key Kc. Furthermore the ciphering process requires information about the absolute time reference.

User-level security

For a user to gain access to the GPRS network, the user must first have a SIM card for their GPRS device. SIM cards can be used to provide further protection by requiring a user to enter a personal identification number (PIN). If the feature is enabled, and the user enters an incorrect PIN more than three times, additional attempts are blocked until the user enters a special code that can be obtained only from the AT&T customer care department. Note that AT&T supplies GSM/GPRS equipment with the PIN function disabled; however the customer can request that the feature be enabled. Beyond these measures, customers can enhance security to protect against lost or stolen mobile equipment with mechanisms such as hardware tokens or passwords at the application level.

Authentication

Each time a call is placed or received, the phone is asked to prove its identity. To do this, the phone uses a secret code stored within it, as well as a second code, which is sent by the HLR. The code sent by the HLR ("Home Location Register") changes for each call and the phone must be able to respond with the correct answer to that code. The information which must be matched by both the HLR and the phone consists of two components:

- Shared Secret Data (SSD)
- Unique Challenge (UC)



The SSD update is only sent to the customer's phone once, when the equipment is first activated with the A-key feature. The UC is sent to a customer's wireless phone on every call that is made. The system will send out to the phone three UC's before approving or denying the call. This may take two seconds in total.

We have a process in which Authentication gets added immediately upon activation (on phones purchased directly from AT&T). If we do not have the information in our database on the particular Mobile Identification Number's (MIN), the Authentication Department confirms the information with the manufacturer.

f. Full Data Service is available with any of the State's desired packages.

g. AT&T provides wireless data cards.

The following components are required for 3G performance:

1. The customer needs to be in a BroadbandConnect coverage area
2. The customer needs to be using a 3G Laptop Modem Card
3. The customer needs AT&T Communication Manager or the appropriate 3G vendor software
4. The customer needs to have a Data Connect rate plan

Customers may access our BroadbandConnect network using LaptopConnect, which enables customers to use their laptops to conduct business remotely at broadband speeds in metropolitan markets. LaptopConnect is just the first of a family of devices and offers to be launched in the near future that will utilize the network speeds and efficiencies offered by BroadbandConnect.

To enable access on the new BroadbandConnect network, new Laptop Modem Cards will be available. Many "air cards" are available now and the device line up is dynamic. These new cards operate on both our national EDGE network as well as the BroadbandConnect network (within coverage areas). There is also a new version of AT&T Communication Manager which ships with the devices and is available for download.

BroadbandConnect runs on HSDPA and UMTS technology –true 3G technology based on the global standard GSM, covering over 2.2 billion users around the globe. There are already 147 carrier deployments of UMTS worldwide in over 64 countries. In comparison, the competitive 3G technology, EV-DO, has only been deployed by 52 carriers in 33 countries, covering 353 million subscribers. GSM has a clear advantage in global footprint. BroadbandConnect runs on the only 3G technology that natively supports simultaneous voice and data and has higher spectral efficiencies than other technologies. High data throughput (average 400 – 700 kbps on downlink) and low latency (100 – 200 milliseconds) characterize BroadbandConnect.

AT&T's 3G devices operate on HSDPA/UMTS and are backward compatible with EDGE/GPRS, so the session is seamlessly transferred to EDGE. BroadbandConnect devices will work on our EDGE network when outside of BroadbandConnect coverage, providing our business customers with the speed, coverage and security they need to deploy mission critical business applications on a premier national wireless data network. Unlike services offered by some wireless companies, BroadbandConnect does not drop a session when the user is outside the coverage area.

h. Described is the required software for the PC.

The following components are required for 3G performance:

1. The customer needs to be in a BroadbandConnect coverage area
2. The customer needs to be using a 3G Laptop Modem Card
3. The customer needs AT&T Communication Manager or the appropriate 3G vendor software
4. The customer needs to have a Data Connect rate plan



- i. Provided is a description of cellular data service directly to the cellular handset.
 * Always refer to new pricing as this price will change

Messaging Features
Messaging Starter - 200 Messages
MEdia(TM) Basic - 400 Messages & 1MB MEdia(TM) Net
Messaging Starter w/Unlimited Mobile to Mobile Messaging
MEdia(TM) Basic w/Unlimited Mobile to Mobile Messaging
MEdia(TM) Works - 1500 Messages & 5 MB MEdia(TM) Net
MEdia(TM) Max 200 Bundle
MEdia(TM) Works w/Unlimited Mobile to Mobile Messaging
Messaging Unlimited
MEdia(TM) Max 200 Bundle w/Unlimited Mobile to Mobile Messaging
MEdia(TM) Max 1500 Bundle
MEdia(TM) Max 1500 Bundle w/Unlimited Mobile to Mobile Messaging
MEdia(TM) Max Unlimited Bundle

- j. Provided is a description of AT&T's can provide wireless solution that synchronizes e-mail and PIM (personal information management) information with an employee's office computer.
- k. Provided is details for how long AT&T's data sessions stay active until the user terminates their session.
- l. The State requires the ability to block use of the optional services at the Agency level and phone level. This must be accomplished at the phone and agency level.
- m. The State requires PC data card software must be compatible with the State's standard laptop and desktop builds, VPN and security protocol.
- n. Are cellular phone usage minutes incurred while using of the services described in this section?, AT&T stated the previously listed features do not typically incur minute usage but do however incur various data charges and other charges that may be unique to that particular feature.

6. Paging Services and Products

AT&T provided a solution the State elected not to award this service. MI-Deal Partners may contact AT&T for this service and details.

D. Service Support and Administration

1. Coordination with State Agency Telecommunications Coordinators (ATC)s

Contractor shall be expected to coordinate most contractual activities resulting from this Contract with State Agency Telecommunications Coordinators (ATC). The State will provide a list of ATCs to the Contractor.



- a. After receiving the list of ATCs, the Contractor will take orders and make changes to State accounts (excluding local and city accounts) only from these individuals, and assumes liability for costs incurred by accepting a purchase from an unauthorized person.
- b. Contractor acknowledges and agrees that the State shall bear no liability on Contracts entered into for purchases by non-State Authorized Personnel, which liability the State expressly disclaims.
- c. With regard to non-State Authorized Personnel, Contractor agrees to look solely to the respective contracting party for any rights and remedies.

2. Customer Service Requirements

a. Customer Support Availability

- i. Designated Customer Support Representative will be available during normal business hours Monday – Friday 8:00 a.m. - 5:00 p.m. (EDT). Customer service must respond to any customer service requests within four (4) hours of notice.
- ii. Contractor must also provide general business customer support, accessible 24 hours a day and seven (7) days a week.
- iii. Toll-free number customer service assistance and account service, available 7 x 24.
- iv. Will a special “non-general consumer” number be provided?
- v. Support “on-hold” times will be less than 5 minutes prior to reaching an agent. Provide present hold queue statistics.

b. Technical Support Availability

- i. Contractor will provide specialized business technical support service available during normal business hours Monday – Friday, 8:00am to 5:00pm (EDT).
- ii. Technical support must respond to any requests within 4 hours of notice.
- iii. Contractor must also provide general technical support, accessible 24 hours a day and seven (7) days a week.
- iv. Toll-free number technical service technicians, available 7 x 24.
- v. Technical support shall be available for all support questions, including but not limited to hardware problems, service problems and network issues.
- vi. Will a special “non-general consumer” number be provided?
- vii. Support “on-hold” times will be less than 5 minutes prior to reaching an agent. Provide present hold queue statistics.

3. Escalation Procedures

Contractor must have an escalation procedure in place for issue resolution.

- a. Outlined is the escalation procedures for problems in the following areas: billing/invoicing, technical support, and network issues.

You'll rarely need to escalate a problem with 211, 311, and 511 because we treat our reports for trouble with the highest priority.

After you call 611 to report a problem, a customer service representative will troubleshoot your problem. If further action is necessary, you can contact your account manager. Escalations are rare as we treat all trouble reports with the highest priority

We are available 24x7 to handle trouble reports on your service, and our experienced staff will handle your concerns as efficiently as possible.

Please refer to our organization chart in Article 1, Attachment E for corporate escalation and contact information.

**4. Unresolved Issues**

The Contractor shall notify the State's Designated Program Manager in writing of any unresolved issues or problems that have been outstanding for more than ten (10) business days.

5. Performance Audits

- a. The State reserves the right to conduct periodic performance audits in all areas of services required by this Contract (i.e., delivery, fill rate, variance reports, customer representatives) throughout the term of this contract at the discretion of the State's Designated Contract Administrator.
- b. The Contractor will provide any additional documentation necessary for the performance audit, as requested by the State, within 15 calendar days of request.

6. State Business Review Meetings

- a. Contractor will meet with the State every three (3) months or as otherwise specified to maintain the partnership between the State and the Contractor. The business review meeting may involve, but not be limited to, the following:
 - i. Contractor performance
 - ii. Problem resolution
 - iii. Mandatory and custom reports
 - iv. Improvement opportunities

7. Exemption from Taxes, Fees and Surcharges

The State is exempt from all Federal, State and Local taxes. Moreover, since the wireless industry is unregulated to date, the State finds no justification for the payment of any Universal Service Fund (USF) charges or any other taxes, fees or surcharges.

- a. If Contractor(s) intends to include any taxes, fees or surcharges in the attached cost models, Contractor is to reference and cite the specific regulatory mandate.

AT&T responded While the state is exempt from all Federal, State and Local taxes., please note that State of Michigan will be responsible for paying any applicable sales, public utilities , gross receipts surcharges, fees, and assessments imposed by governments (regardless of whether they are imposed on Customer, CRU, AT & T Mobility or a Carrier) including, without limitation , assessments to defray costs for government programs such as universal connectivity, enhanced 911 service, local number portability, and number pooling relating to Service, Equipment, goods, or services purchased, and /or the wireless network.

8. "No Shut Off" Policy for State Accounts

A blanket "No Shut Off" policy for all State accounts shall be agreed upon. Contractor shall identify/flag all State accounts as "Government Accounts" for which service will not be interrupted due to outstanding balance, disputed amount owed or late payments due.

9. New Materials Required

- a. All materials and equipment delivered and/or installed under this Contract shall be new and be the standard products of a manufacturer regularly engaged in the production of the materials and equipment.
- b. Where two or more units of the same class of materials and/or equipment are required, the units shall be the products of the same manufacturer.
- c. Any manufacturer's data and/or documentation supplied with the item(s) shall be submitted to the State's authorized representative.
- d. Contractor shall advise the State of the availability of new software that may require equipment be updated. Contractor agrees to "flash" equipment with the latest available software and features, when authorized by the State, at no charge to the State for the duration of the Contract.



10. Activation/Termination/Suspension of Service

a. Existing Equipment

- i. Contractor shall activate, terminate or suspend service on existing equipment and complete requested plan changes within 24 hours of notification by the Agency Telecommunications Coordinator (ATC).
- ii. Indicate the process required by the ATC to activate, terminate or suspend service. In addition provide any sample forms or WEB site instructions that are required for activation, termination and suspension of service.

b. Activation of Service - New Equipment

- i. Contractor shall complete service activation on new equipment within 48 hours of shipping. New equipment that is picked up at a contractors store shall be activated immediately.

c. Activation of Service for Emergency

- i. In the event of an emergency (e.g. State emergency need during a disaster), Contractor must be able to activate equipment within 24 hours after request.
- ii. Contractor will provide the process that is required by the ATC to activate service for emergency purposes in less than 24 hours.
- iii. AT&T will work to with the State to set requirements to activate service upon notification.

d. Contract Terms

- i. Contract shall be coterminous with master agreement.
- ii. Individual contracts for each subscriber are not necessary, and unacceptable.

e. Temporary Suspension & Reactivation

- i. The Contractor must suspend and reactivate lines within 24 hours of notification by the ATC. Service Disconnects & Restorations: Service suspends and cancel requests are processed within one business day with the exception of end of bill cycle cancels. Contact Customer Service or your account manager in order to plan any temporary suspensions.
- ii. During periods of suspension, the line must not incur any charges, and the wireless number must not change before, during, or after suspension.
- iii. The maximum period of suspension will be 6 months.
- iv. Describe the process for requesting temporary service suspension and subsequent service reactivation.
- v. Contractor shall not charge a fee for activating or deactivating a service

f. Outage Credit

For pricing options that include any fixed month fees, for each 24 hour outage period, the Contractor must pro-rate the bill for a full day of service for each impacted subscriber.

11. Replacement Equipment

- a. The quality of all replacement equipment shall be equal or greater than the quality of the original equipment being replaced.
- b. All replacement parts shall be new unless otherwise agreed in writing.

12. Lost/Stolen Equipment

- a. In the event a free piece of equipment is lost or stolen, Contractor shall replace it at no cost for one time only. Any subsequent losses will be replaced at a cost not to exceed \$100.00.
- b. If the equipment to be replaced was not free, it shall be replaced by Contractor at the contracted rate. Additional Wireless Phone Insurance provides coverage for eligible wireless phones in the event a phone is lost, stolen, damaged, or experiences a mechanical or electrical failure after the manufacturer's warranty has expired.



Wireless Phone Insurance is a low cost way to protect subscribers from the cost of replacing their handset at the full retail price. With this program, getting a replacement is simple. A quick phone call is all it takes to get the process going. Replacement devices are shipped Standard Overnight (where available) and in most cases, received by the customer the next day.

There is a maximum of two replacement request fulfillments within any consecutive 12-month period. The premium is \$4.99 per month and a \$50.00 non-refundable deductible applies for each replacement request.

- Protects against:
 - Loss, theft, and accidental damage
 - Water or liquid damage
 - Mechanical and electrical failure after the manufacturer's warranty has expired.
- Wireless Phone Insurance covers:
 - Wireless handset*
 - Covered if part of loss to a covered phone:
 - Standard battery**
 - Standard battery charger**
 - SIM card**
 - Accessories***

** Select handsets/devices are not eligible for coverage, including PDAs, RIMs, TDMA and GAIT phones and other select handsets*

*** When part of a "covered loss" to the phone*

*** One accessory is included if part of a loss to the covered phone: one carrying case, vehicle power adaptor, or ear piece.*

Product Benefits:

- Protects your wireless investment: According to industry statistics, one out of three wireless customers loses or damages their phone every year.
- Quick and Convenient Replacement: Make one call to 1-800-801-1101 to file a replacement request. Replacement devices are shipped directly to you and in most cases, received the next day.
- Easy and affordable: Easy to sign up and low monthly fees.
- Low cost when compared to purchasing a new device.

13. Fraud Monitoring & Prevention

- a. Fraudulent calls will be the sole responsibility of the Contractor. The State will bear no responsibility for such calls, including, but not limited to, number theft by cloning, multiple calls at the same time, international calls on an unauthorized telephone, or calls to areas of known fraud.
- b. Contractor agrees to proactively monitor calling volume and patterns.
- c. Contractor shall immediately report unusual calling volumes and patterns to the ATC, such as usage or cost doubling from the previous month, or months with zero usage, etc.
- d. If fraud is detected outside of normal business hours, Contractor will notify the designated MDIT personnel.
- e. Should the ATC declare such activity as fraudulent, and upon request Contractor shall immediately deactivate the service.
- f. The following process by which call volumes and patterns will be proactively monitored for unusual activity. Listed are the triggers that are used to flag suspicious activity by AT&T.

AT&T has a multi-faceted, aggressive prevention campaign in place to combat wireless fraud, which includes implementation of the following measures:



- **Authentication** is our most powerful anti-cloning prevention tool, involving the exchange of secret codes based on a complex algorithm between the phone and the switch. This is a free feature that works on all TDMA and GSM/GPRS handsets.
- **The Fraud Management System (FMS)** is our computerized "burglary" alarm system for identifying cloned or stolen devices and subscription fraud. When a subscriber's usage deviates from its normal activity, it trips an alarm in FMS. A fraud analyst will investigate and ascertain the legitimacy of new services or whether a customer has been victimized and remedy the situation.
- **Subscription Fraud Tracking Analysis and Reporting System (STAARS)** is a reporting system that generates a variety of detailed reports on subscription fraud cases and provides a series of data views on call behaviors, which helps AT&T fraud analysts, managers and specialists quickly detect and manage fraudulent subscription activity.
- **Pre-Call Validation** is based on the American National Standards Institute (ANSI)-41 communications standard protocol that was developed and is used by AT&T and the NACN (North American Cellular Network.). Pre-call validation via ANSI-41 provides for the subscriber's ESN and MIN to be validated prior to a call being delivered - as opposed to simultaneously or even after. The pre-call validation feature of this system eliminates "tumbling fraud."
- **Roaming Authorization per MSC (RAM)** enables a fraud analyst to suspend roaming privileges in any market(s) for a specified length of time where suspected fraudulent activity is taking place. As a result, the counterfeiter will be denied service in those markets, while the valid customer continues to have use of their phone at home and in all other roaming markets. (Note: Under federal law, access to wireless 911 services is never restricted.)

Training

- **AT&T Employees.** Fraud Awareness Training is provided for each and every employee of AT&T. This training educates employees on the magnitude of the problem, the various types of fraud, how fraud is committed, and how it is being fought. The training also teaches employees how to identify and handle a fraudulent situation.
- **Authorized Agents/Dealers/Retail Outlets.** There are a number of businesses that sell wireless service for AT&T. These authorized agents, dealers, and retail outlets are all required to attend Fraud Awareness Training. This training is particularly useful to this audience because it can help identify subscriber fraud. Authorized agents, dealers, and retail outlets are provided with recommendations on how to more thoroughly verify customer identification.

AT&T is relentless in pursuing cutting-edge fraud solutions and will continue to do so into the future. This multi-faceted technological attack on wireless fraudsters is having a profound impact on fraud losses.

14. Existing Hardware Compatibility/Replacement Requirements

- At the State's discretion, the Contractor and/or subscriber shall be allowed to use existing equipment under the new contract where feasible.
- Where not feasible, equivalent free phones (one flip style or one stick, depending on user's current model) must be made available to the end user if their phone must be replaced. If a new phone is required, a compatible AC wall charger must be included and car charger.
- Contractor should specify current phone offerings that will be offered to meet these criteria. The State expects all other devices and accessories to be offered at significant discounts off retail price. Discounts should be detailed.

15. Returned Goods Policy

- Materials and supplies deemed unacceptable by the State may be rejected by the State.
- Over-deliveries will be accepted only at the State's discretion.



- c. Returned Goods Policy shall include full credit if such items are returned within thirty (30) days following date of receipt.
 - i. If items were ordered in error, the State shall pay return freight charges.
 - ii. If Contractor is responsible for mis-shipped goods, Contractor shall incur return freight charges.
- d. All returned materials and supplies must be authorized by a Contractor representative and must cite a Return Goods Authorization number.
- e. Restocking charges will not apply if materials or supplies are returned within the Returned Goods Policy time frame and in saleable condition.
- f. Contractor shall be responsible for the disposition on all defective, damaged or over-shipped merchandise.
 - i. Return Goods Authorization shall be provided by Contractor within seven (7) calendar days of verbal notification.
 - ii. If return authorization is not received within fourteen (14) days, the merchandise may be shipped back to Contractor for full credit, freight collect.
- g. Contractor shall not ship to the State any material or supply which has been returned to Contractor either by the State or other customers due to quality or defective issues.
 - i. Contractors are required to notify manufacturer of issues and return product to the manufacturer or dispose of product for no further use.

16. Warranties for Equipment

- a. Contractor represents and warrants that it has the right to provide the Services and the cellular equipment to be provided under the Contract.
- b. Contractor represents and warrants that all services and cellular equipment provided by Contractor shall meet or exceed the minimum specifications set forth in this contract.
- c. Contractor represents and warrants that the State shall acquire good and clear title to the cellular equipment purchased hereunder, free and clear of all liens and encumbrances.
- d. Contractor represents and warrants that each cellular product delivered shall be delivered new and not as a "used, substituted, rebuilt, refurbished or reinstalled" Product.
- e. Contractor represents and warrants that it has and will obtain and pass through to the State any and all warranties obtained or available from the manufacturer/licensor of the cellular product.
- f. Contractor represents and warrants that all cellular products provided pursuant to the Contract shall, for a period of one (1) year, be free from defects in material, manufacture, design and workmanship. Contractor's obligation pursuant to this warranty shall include, but is not limited to, the repair or replacement of the product at no cost to the State. If an item must be returned to the manufacturer for warranty service or replacement during the warranty period, the Contractor shall be responsible for payment of all shipping charges and supplying the Customer with a substitute item of equipment during the time that repairs are being made.
- g. Contractor represents and warrants that all work performed hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of the Contract. For any breach of this warranty, the Contractor shall perform the services again, at no cost to the State, or if the Contractor is unable to perform the services as warranted, the Contractor shall reimburse the State the fees paid to the Contractor for the unsatisfactory services.
- h. Warranties shall comply with the highest warranties and representations expressed by Contractor(s) in any written advertisement, correspondence, or other documents provided to Contractor's other customers. Additionally all wireless voice devices are covered by manufacturer's warranty for the first year of service.
- i. If any of the foregoing warranties are breached, Contractor agrees to correct all defects and nonconformities at Contractor's sole expense.
- j. Such warranties shall be effective notwithstanding prior inspection and / or final acceptance of said goods and / or services by the State.



- k. Replacement for Equipment Covered Under Warranty - Contractor will provide replacements for equipment that is covered under warranty.
 - i. Specify who (i.e. contractor or manufacturer) is responsible and how the process is handled.
 - ii. Specify turnaround time to receive loaner equipment, and whether replacement item will be new, factory refurbished or non-factory refurbished.

If your AT&T phone is not working properly and it is over 30 days old but still within its warranty period (1 Year), you may request a warranty exchange.

The Warranty Exchange group can assist you in exchanging defective equipment for a warranty phone. If you prefer to have the equipment repaired, you may also contact the manufacturer for authorized repair centers in your area. Warranty Exchange can be reached by calling 800-801-1101. Please call warranty exchange from a landline phone and have your cellular equipment available. Please have the battery removed and fully charged. If you have a non-AT&T phone that is defective please contact the appropriate carrier. Please note that some manufacturers will not repair devices while in the warranty period (Palm Inc. and RIM). In these instances, you will be routed to the correct center for assistance.

Equipment that is out of warranty or that is lost or stolen should be reported immediately to Business Care.

- l. Replacement Parts for Repair - Only new standard parts or parts equal in performance to new parts will be used in effecting repairs.
 - i. Parts that have been replaced will become the property of the Contractor.
 - ii. Replacement parts installed will become the property of the State.
- m. Out of Warranty Repairs - Contractor must provide out of warranty repairs.
 - i. Provide additional details regarding this program.

17. Product Recall Procedures

Contractor shall have the following to address product recalls:

- a. Contractor has a reliable and tested sales notification process that can quickly identify each customer that has received recalled products (provide a description of the process as an attachment).
- b. Contractor shall notify the State's Designated Program Manager about the recall within 10 business days of official notification by the Manufacturer of a product recall. Notice shall be provided in a format to be approved by the State.
- c. At the same time, the Contractor shall provide the State's Designated Program Manager with the planned process for notifying subscribers at the State.
- d. Contractor will send out notifications to the subscribers who have recalled equipment within 30 calendar days of official notification by the manufacturer of product recall.
- e. If necessary to be returned to the manufacturer, recalled products will be returned to the manufacturer at no expense to the State.
- f. Contractor shall supply comparable replacement equipment at no cost to coincide with the pick-up of recalled items.

18. Ordering

Ordering is defined as new orders, as well as changes to existing accounts.

a. Order Process

The following detailed description of how AT&T order process works from the time the Contractor receives the Purchase Order from the State until the commodity/service is delivered to the State.

AT&T customers can order equipment in one of three ways.

- Premier Web-based ordering
- Direct through AT&T Representative
- National Business Ordering by phone



The overwhelming first choice for enterprise customers is the Premier Web-based ordering system, which allows for bulk orders or single item orders, provides for 48 hour delivery with free shipping, and allows for tracking of packages.

Regional fulfillment through regional account managers can be provided if this mode meets your requirements, but we have found that the most effective means are via national services. AT&T will offer the State two national fulfillment options 1) National Business Ordering (1-800) and 2) Premier (online)

National Business Ordering

NBO provides nationally contracted business customers a single 1-800 number for order activation in all markets. End-users, Telecom Managers or other authorized order placers can place orders for service or program enrollment. Equipment is typically shipped to the designated location within 2-3 business days.

Premier

AT&T Premier is an online shopping resource for business customers and their employees to purchase, activate, monitor and manage their business account. It is a customizable platform that displays products and services based on a company's negotiated contract specifications; a dedicated company Web site with support teams is created for all accounts.

The Premier site also supports:

- AT&T Business Edge, a program for small businesses to access the benefits of Premier even if their company has less than 50 employees.
- AT&T Corporate Digital Advantage, the online program that gives large businesses and government customers the features of AT&T along with AT&T's Rollover Minutes feature.

Premier is split into three sections depending on who is purchasing:

- Employees purchasing devices, plans and accessories at their company-negotiated discount. Any purchases from this section are billed directly to the employee. (The employee validates their company's AT&T contract online by supplying their work address.)
- Employees purchasing devices, plans and accessories that will be billed to the company.
- Telecom managers placing orders that will be billed to the company and to manage the company's overall account.

Premier is a cost-effective procurement system which is easy-to-use and offers an array of features such as coverage maps, device comparisons, tutorials and best of all: negotiated discounts on service and devices.

b. Facsimile Ordering System

- i. At contract award, the Contractor must be able to process a facsimile request. These requests must come from an ATC.

c. Standard State Ordering Process

- i. The Contractor shall only accept orders for equipment and services initiated as follows:
 1. Issue a State of Michigan Purchase Order
 2. Purchase with a State of Michigan P-Card
 3. Order through the State of Michigan DMB Web Portal - DMB Purchasing

d. Emergency Ordering Process

- i. For emergency orders, Contractor shall accept walk-in and telephone orders in addition to the ordering methods detailed above.



e. **Authorization Guidelines and Liability for Non-Authorized Purchases**

- i. Contractor shall deliver wireless equipment and services to procuring agencies in accordance with the terms of this agreement. Accordingly, the Contractor shall provide equipment or services only upon the issuance and acceptance by Contractor of a valid order by Agency Telecommunications Coordinators.

f. **Walk-in Ordering System (Reserved)**

g. **Order Number**

Contractor shall not issue duplicate order numbers among ordering ATCs.

h. **Order Acknowledgement**

- i. Contractor must provide an ATC with an order receipt acknowledgment within one (1) business day after receipt of an order.
- ii. The order receipt acknowledgement must include the following:
 1. Equipment and/or service plan purchased
 2. Contractor order number
 3. Agency order number (Purchase order number)
 4. Subscriber name
 5. Bill-to address
 6. Ship-to address
 7. Ordering department
 8. Account information
 9. Additional information required by the State

k. **Out-of-Stock Notification**

- i. Contractor shall notify the ATC within one (1) business day after order acknowledgement if an item is out of stock.
- ii. The ATC shall have the option of substituting an available product, or canceling the item from the order, in which case the Contractor must provide an option to get comparable equipment to the subscriber within 15 days of the order at no additional cost.
- iii. Under no circumstance is the Contractor permitted to make unauthorized substitutions.

l. **Shipment Confirmation**

Contractor must provide a shipment confirmation to the ATC the day of order shipment. The shipment confirmation must contain the following information:

- i. Phone number for new lines
- ii. Electronic serial number (ESN)
- iii. Date shipped
- iv. Tracking number
- v. Account number
- vi. Subscriber name
- vii. Additional information mutually agreed upon by the State and the Contractor

j. **Unfilled Orders**

- i. Unfilled orders and partial shipments shall be so indicated on the packing list.
- ii. Contractor will automatically inform the ATC of the availability date of unfilled and partial shipment orders within three (3) business days of order request.

19. Request to Add (RTA) Process

- a. The Right to Add (RTA) process is a process by which MDIT is able to submit a request to the Contractor(s) to have products and/or services added to the Contract(s). MDIT will send the RTA request and associated documentation to the Contractor.
- b. MDIT shall have the option to request additional products to be added to each Contract and/or Product Web Catalog or make exceptions to existing standards.
 - i. Contractor(s) must respond within five (5)-business days providing a price quote for submitted request. If the price quote or offering is not acceptable to the Program Manager, the State may purchase outside the Contract.



- ii. Upon receiving the Contractors' recommendation, the Program Manager shall make the final decision to purchase. Approval will be to add the product, purchase as a one-time buy, or allow the State to purchase outside of the Contract(s).
- iii. In the case of a Catalog addition, the updated information shall be included within five (5) business days.

20. Online Accounts

- a. The Contractor shall provide secure online access for ATCs to manage accounts and order services. Only ATCs shall be allowed online access to accounts and ordering.
- b. AT&T offers additional online capabilities that will be provided in conjunction with the above requirements, such as higher security, fraud notification, usage reports/analysis, etc.

On a monthly basis AT&T provides to the State the Wireless Information Navigator Advantage CD, or 'WIN'. A robust, proprietary AT&T tool, WIN 8.0 allows customers to pay a single invoice, access a full array of standard and customized management reports, and export data to Excel or external reporting tools via Rich Text Format, comma-separated, or tab-separated files. WIN CDs with analysis tools and your billing data are shipped at the end of each billing cycle.

WIN Advantage provides more than 35 standard reports based on:

- Cost Center
- Cost Center Rollup
- Trending
- Year to date
- Usage Detail

Standard reports can be customized within WIN Advantage to allow for greater flexibility in reporting. To allow further customization, AT&T provides all billing information in comma-delimited format for portability to reporting tools such as Crystal Reports, Microsoft Excel or Access.

Wireless Information Navigator Advantage (WIN) is a robust, proprietary AT&T tool now in its 8.0 version release. Heralded as easy to use by our enterprise customers, it is fully exportable to Excel and Access and supports data label codes for customer categories such as cost center, business unit, manager, employee ID or more. WIN CD is shipped monthly in CD-ROM format. 35 standard reports are available from WIN. It is the primary tool used by clients to manage their wireless spend and program.

WIN Advantage Reporting Tools

- Complete suite of reports provides:
 - Cost center and subscriber summaries
 - Current charge information
 - Usage detail
- Enhanced set of standard reports:
 - Cost center rollup
 - Trending graphs and year-to-date reports based on fiscal year range sets
 - Usage detail
 - Query reports for exceptions
- Flexible reporting allows:
 - Customize reports
 - Save and reuse reports
 - Import/export customized reports



The following reports are available on the Wireless Information Navigator:

- **Cost Center Detail Reports.** Charges and Usage Summary, Current Charges, Itemized Additional KB Charges, Itemized Feature Charges, Itemized Long Distance Charges, Itemized Other Charges and Credits, Itemized Roaming Charges, Itemized Equipment, Itemized Taxes, Service Usage.
- **Cost Center Rollup Reports.** Average Current Charges, Charges and Usage Summary, Current Charges, Itemized Additional KB Charges, Itemized Feature Charges., Itemized Long Distance Charges, Itemized Roaming Charges, Itemized Taxes, Itemized Text Messaging Charges, Service Usage
- **Trending Reports.** Company Current Charges, Company Summary, Service Summary
- **Year to Date Reports.** Company Summary, Service Summary
- **Usage Detail Reports.** Call Detail—All Calls (Voice), Call Detail— Roaming Calls (Voice)
- **Other Reports.** All Data Export—Usage Detail (Voice), All Data Export —Service Summary, Billing Account Directory, Equipment Detail, Voice Pooling, Data Pooling

Each of these reports shows the total charges for each individual cost center as well as total charges for each individual service name.

Invoice Reports are also provided. The Invoice area provides a list of preformatted reports that consolidate company monthly charges and credits. These reports can also be printed or exported to other applications for further analysis. The following are available Invoice Reports:

- **Remittance Report:** Remittance
- **Statement of Account Report:** Statement of Account
- **Remittance Detail Reports:** Adjustments, Balance Transfers (from local markets), Current Charges, NBS Corporate charges and Credits, NBS Product Charges and Credits, Payment Transfers (from local markets)
- **Invoice Reports:** Service Level current charges, Service Level Current Charges w/Usage Detail, Service Level Usage Detail. There is also the option to create a customized invoice by selecting specific information by view preference.

Split Liability Billing indicators have been added to support split liability billing details on the reports and invoices.

- c. Accounts Change/Termination Acknowledgement - Contractor must provide the appropriate ATC with an account change or termination acknowledgement within 24 hours of a change or termination request.

21. Product Web Catalog Requirements

- a. The State requests an electronic, web-based catalog available via the public Internet for ordering.

AT&T Premier is an online shopping resource for business customers and their employees to purchase, activate, monitor and manage their business account. It is a customizable platform that displays products and services based on a company's negotiated contract specifications; a dedicated company Web site with support teams is created for all accounts.

The Premier site also supports:

AT&T Business Edge, a program for small businesses to access the benefits of Premier even if their company has less than 50 employees.

AT&T Corporate Digital Advantage, the online program that gives large businesses and government customers the features of AT&T along with AT&T's Rollover Minutes feature.



Premier is split into three sections depending on who is purchasing:

Employees purchasing devices, plans and accessories at their company-negotiated discount. Any purchases from this section are billed directly to the employee. (The employee validates their company's AT&T contract online by supplying their work address.)

Employees purchasing devices, plans and accessories that will be billed to the company.

Telecom managers placing orders that will be billed to the company and to manage the company's overall account.

Premier is a cost-effective procurement system which is easy-to-use and offers an array of features such as coverage maps, device comparisons, tutorials and best of all: negotiated discounts on service and devices.

- b. The State and AT&T agree to determine the requirements for the Product Web Catalog. The State will provide hot links to each Contractor's Product Web Catalog via the State's DMB Purchasing Portal.
- c. The web-based catalog will describe all of the products, support and training available.
- d. The catalog will be the source of documentation for all business processes and practices associated with the Contract(s) as well as contractual requirements, where applicable, and appropriate service levels, return policy, etc.
- e. The web-based catalog must provide the following information:
 - i. Access to the current pricing schedule for equipment and services to include (1) the pricing plans with the State's discounts (2) list of Basic Equipment (3) list of additional equipment with related price and the State's discounts.
 - ii. Updated local, national and international coverage maps.
 - iii. A "how to order" page to be developed with the State's Designated Program Manager and the appropriate subscriber representatives (e.g., ATCs) upon contract award.
 - iv. Contractor contact information in sales and customer/technical support for each agency/department at the State.
 - v. List of Primary Customer Service Representatives by department and contact information.
 - vi. List of Agency Telecommunication Coordinators (ATCs).
 - vii. Detailed equipment and accessory descriptions; pictures when possible.
 - viii. Additional links or information (where relevant) on the screen to access additional product literature, the Contractor's home page, the history of the company, etc.
 - ix. Any other specific information included within each of these categories will be mutually agreed upon by the Contractor and the Program Manager and will be reviewed as part of the regularly scheduled quarterly Joint Operations meeting.
 - x. Review and approval of the Product Web Catalog will be the responsibility of the MDIT Program Manager.
- f. The category-specific sections of the Catalog must be updated within five business days specific to product and price information. The intent is that price information be updated more frequently whenever possible.
- g. Approval of all product updates to the catalog is the responsibility of the MDIT Program Manager and will be handled in the following manner:
 - i. Any price decrease changes to products currently in the Product Web Catalog will be updated immediately and with prior approval by the MDIT Program Manager.
 - ii. Any price increase to the Product Web Catalog must be reviewed and approved by the Program Manager.
 - iii. Any new products released by a manufacturer which obsolete and replace a product currently in the Product Web Catalog, will be updated immediately, at no increase in price, and without prior approval by the Program Manager. The obsolete product will also be removed from the catalog immediately and without prior approval by the MDIT Program Manager. Notice must be provided to the State of any such changes.
 - iv. Upon notification to the MDIT Program Manager, any products made end of life by a



- manufacturer and without replacement product will be removed from the catalog by the Contractor without prior approval.
- v. Any new product(s) to be added to the Product Web Catalog that is not a direct replacement of a product currently in the catalog must follow the Request to Add procedure of Section 18, above.
 - vi. At a minimum, the Contractor must provide the following information to the MDIT Program Manager:
 - 1. Manufacturer Name
 - 2. Product Name and Description
 - 3. Contractor Part Number
 - 4. Manufacturer Part Number
 - 5. Manufacturer Retail Price
 - 6. Discount
 - h. If the product(s) is approved for the Contract(s), the State's Program Manager will notify the Contractor that the product(s) must be added to the Contract(s) and published in the catalog.
 - i. Any approved changes, revisions, and/or additions to the Product Web Catalog, which are completed in a given month will be reported monthly by the Contractor to the Program Manager. Report format and data will be mutually agreed upon and be reviewed periodically as a part of the regularly scheduled quarterly Joint Operations meetings.

22. Delivery

a. **Delivery Cost**

All prices provided shall be F.O.B. destination; freight prepaid by the Contractor, to the receiving point designated upon order. Responsibility and liability for loss or damage for all orders shall remain with the Contractor until final inspection and acceptance, when all responsibility shall pass to the ordering organization, except the responsibility for latent defects, fraud, and the Contractor's warranty obligations.

b. **Emergency Deliveries**

Contractor shall provide a process for emergency deliveries.

Emergency deliveries can be placed with your AT&T Account Team. We will provide two-day shipping at no charge to the State. Overnight delivery will be billed as a pass through.

c. **Delivery Location**

Deliveries shall be made to the location specified on the order, which in most cases will be a location within the State of Michigan.

d. **Shipped Equipment**

All shipped orders shall include a packing slip with the following:

- i. ATC's name, section or unit name, location (street address, building, floor, and room number)
- ii. Designated contact/name of ordering person (if different than ATC)
- iii. Billing address
- iv. Ship-to address
- v. Contractor Order number
- vi. Agency order number (purchase order #)
- vii. Description of items
- viii. Additional information required by the State
- ix. Packages containing multiple products shall be clearly labeled as such.

e. **Activation for New Subscribers**

For new subscribers, Contractor shall ship equipment activated, registered, and ready to use, unless specified otherwise.

f. **Damaged and Defective Items**

- i. Contractor shall provide credit and/or replacement for freight-damaged or defective items and replace the items within 48 hours after notification by the ATC.
- ii. Contractor will be responsible for the credit and/or replacement of any freight-damaged or defective products at time of delivery.



- iii. Contractor cannot require the ATC to deal directly with the manufacturer.
- iv. Contractor shall provide the ATC with a prepaid and self-addressed container suitable for the return of the item.
- g. **Items Shipped in Error**
 - i. The ATC will notify the Contractor of a Contractor's error in shipment.
 - ii. Contractor must accept returns of items shipped in error, and credit the procuring agency for the full amount.
 - iii. Additionally, Contractor shall provide the agency with a prepaid and self-addressed container suitable for the return of the item.
- h. **Restocking Policy**
 - i. Contractor shall not impose a restocking fee on the State if an item is returned due to damage, incorrect product shipped, or an order entry error by the Contractor's customer service representative.
 - ii. Contractor will not impose a restocking fee on authorized purchaser for inventory that is returned, but exchanged for other inventory.
- i. **Delivery Time Minimum Requirements**
The Contractor must complete delivery of in-stock products within a maximum of three (3) business days after order acknowledgement.
- j. **On-Time Delivery**
Contractor shall maintain an overall monthly average of 95 percent for on-time delivery. The on-time delivery rate shall be calculated by dividing the number of on-time deliveries by the total number of deliveries. That is, for orders reported as filled by the order entry system, the shipments shall be received within the times specified in this document at least 95 percent of the time.

23. State's Designated Program Manager Reporting

- a. **Format of State's Designated Program Manager Reports**
 - i. The reports provided to the State's Designated Program Manager shall reflect State, and separately local and city, usage and purchases under the contract for the respective month.
 - ii. All reports shall be provided in electronic format compatible with Microsoft Excel 2000 and Access 2000.
- b. **State's Designated Report Filter**
 - i. To protect subscriber confidentiality (i.e. employee personal phones purchased using the State contract), Contractor shall exclude subscriber names, numbers, and certain call details (e.g., number called) when requested and as specified by the State's Designated Program Manager for reports.
 - ii. Contractor agrees to replace subscriber names and phone numbers with a single unique key identifier and will provide a mapping of the unique key identifier to the subscriber names and phone numbers to the ATC upon request.
 - iii. A unique subscriber number will be incorporated in place of the subscriber name and number on any reports provided to the State's Designated Contract Administrator.
- c. **Overall Service Report**
 - i. Contractor must provide a monthly overall statewide service report at the subscriber account level.
 - ii. Summary reports will be provided at the agency and state level.
 - iii. Reports will be submitted to the State's Designated Program Manager every month by the 15th day following the end of the month.
- d. **Overall Equipment Sales Report**
 - i. Contractor must provide monthly statewide and agency level summaries of wireless equipment (including handsets, handheld devices, accessories, etc.) purchase orders.
 - ii. Reports will be submitted to the State's Designated Program Manager or the appropriate ATC, every month by the 15th day following the end of the month.
 - iii. These reports shall be provided at no cost.



24. Agency Reporting Requirements

a. **Format of Agency Reports**

The Contractor shall submit the following management reports to the State's Designated Program Manager and to each ATC as requested. The reports shall reflect the Agency's usage under the contract for the respective month. All reports shall be provided in electronic format available by email, CD, DVD, ftp, etc., and compatible with Microsoft Excel 2000 and Access 2000, with hardcopies available upon request at no extra charge. Vendors should provide samples for proposed reports.

- i. **Wireless Services Optimization Reports** - Contractor must provide a quarterly optimization report for each wireless service subscriber.
 1. The goal of these optimization reports is to ensure that each subscriber uses the most appropriate plan. This includes identifying subscribers that may be consistently incurring overage charges, and therefore should move to a higher plan, or subscribers consistently under-utilizing a plan, and therefore should move to a lower plan.
 2. When determining the optimal plan for a subscriber, Contractor must analyze the effective cost of all plans bid (including custom plans) and exclude any months of suspended service from the analysis.
 3. A 'Zero Usage' report will be provided showing any subscribers who have 4 or more months of non-use.
 4. The optimization report will be submitted in electronic and/or hardcopy formats on a quarterly basis, by the 15th day of the first month of the new quarter.
 5. Contractor may be required to submit this report to the State's Designated Program Manager and the ATCs at anytime upon request.
- ii. **Voice and Combined Voice/PTT/Push-To-Talk Service Usage Report**
Contractor must provide voice and combined voice/PTT-related usage reports upon request.
- iii. **Data Service Usage Report**
Contractor must provide data-related usage reports upon request.
- iv. **Pager Service Usage Report**
Contractor must provide pager-related usage reports upon request.
 1. The reports should include page volumes, costs, plans and indications of non-use.
 2. The contractor will provide quarterly reports of pagers that have had no usage for the prior 4 months. The report will be listed by agency.
- v. **Individual Subscriber Usage Reports**
The Contractor will provide a courtesy copy (electronic or paper format, as specified by the ATC) of each subscriber's usage on a monthly basis to the subscriber or the ATC, upon request.
 1. Subscribers' usage reports must include full itemization of call details (such as the information on the Contractor's standard bill for consumer accounts) to enable verification of usage, including: (1) call date, call number, call length, call time, and (2) plan cost, per minute charges, overage cost, additional features charges and other fees, etc.

25. Privacy

- a. Contractor must safeguard subscriber names and information and agrees not to share or sell this information to others, especially for the purposes of marketing, without explicit consent from the State.
- b. The Contractor will list all numbers on the "National Do Not Call Registry".

26. Transition

a. **Transition Support**

The Contractor will provide support to each State Agency to facilitate subscribers to products as services are added and approved, including service plans and equipment changes as needed.

b. **Implementation Plan**

Immediately, upon the effective date of the Contract or at any time during the contract in which new products or services are added, Contractor shall within seven (7) business days submit to the



State's Designated Program Manager a detailed implementation plan containing the following:

- i. The process used to implement the contract, including time to implement the new pricing structure, products and service levels that are approved.
 - ii. A tentative schedule with key milestones for modifying the Contractor's system to add each party to the contract, including how the Contractor will address transitioning subscribers from other carriers, implementing service switching, and the number of days needed to make this transition.
 - iii. A tentative schedule for modifying the Contractor's system to transition existing subscribers to the new contract, implementing service switching and the number of days needed to make this transition.
 - iv. Contractor's quality assurance program that will affect service and delivery.
 - v. The method proposed to ensure Contractor's ability to effectively handle implementation problems (e.g., adding extra staff during the implementation period, Contractor staff training, State staff training).
 - vi. How the Contractor will ensure the transition occurs with minimal disruption to authorized personnel and subscribers.
 - vii. How the Contractor intends to educate the various subscribers in the State to facilitate adoption of products and to buy off the established contract. Contractor's ordering telephone, facsimile numbers, Internet address, the names of ordering contact persons, and telephone numbers and names of sales representatives.
 - viii. The training plan for statewide roll-out phases of contract implementation.
- c. **Implementation Plan Process Review**
- i. Upon submitting the implementation plan, the Contractor shall meet with the State (the State's Designated Program Manager and others as relevant) to discuss the plan and finalize the Contractor's draft implementation plan.
 - ii. The State will have the opportunity to validate and verify the overall process.
 - iii. The implementation of this contract will be ongoing as customers request to utilize this contract. The State will assist the successful Contractor(s) by providing customer information such as previous contract subscriber names, and any other materials reasonably available from the State.
 - iv. The Contractor's draft implementation plan shall be finalized within five (5) working days after input from the State.
- d. **Transition Support for New Subscribers**
- Upon award of contract, Contractor(s) must support the State and help transition subscribers from other carriers. Provide details on the level of support that will be provided to facilitate the transition, including the following:
- i. The number of customer service representatives' available following award to answer questions and transition subscribers.
 - ii. The number of planned onsite Information and training sessions.
 - iii. The ability to provide onsite representatives to sign up new and transitioning subscribers.
- e. **Transition Support for Subscriber from Different Service Provider**
- Contractor agrees that subscribers who are transitioned from a different service provider shall be treated as new subscribers, and qualify for all terms and conditions agreed upon in the Contract, such as no cost basic equipment, and where possible, allowing them the option of retaining their current equipment for use on Contractor's network.
- f. **Number Portability Process**
- When number portability is requested and available, the receiving carrier shall assign and provide a work order number to the new customer to enable the customer to check on port request status. Provide standard time for number portability in minutes. Describe the process for porting.
- g. **Transition Support for Existing Subscribers**
- Contractor shall convert all existing State subscribers to the new contract terms, unless otherwise specified by the ATC.
- i. Contractor, who are incumbent providers to the State, must provide the following:



1. Contractor shall provide a report of existing State subscribers by department to the State's Program Manager and the respective ATC. This report shall outline the current plan details and cost for each subscriber, and suggest the most appropriate common plan for the transition, recognizing that some subscribers should be optimized.
2. The converted subscribers must be able to retain their current number (assuming the same area code), and, if possible, their equipment.
3. Indicate the typical timeframe needed to provide a report with plan recommendations for existing subscribers.
4. Indicate the typical timeframe needed to transition 100 subscribers to the new contract terms.

h. **Transition Costs for Existing Subscribers**

The Contractor shall immediately make available new contract pricing without imposing any fees (e.g., change fees) for existing subscribers that transition. Contractor shall identify the billing cycle that the new rates and the cycle retroactive adjustments will appear.

26. **Training**

a. **Training Plan**

The Contractor shall provide training to facilitate the rapid and smooth transition of the State's subscribers to the new contract upon request.

- i. Contractor shall provide a training plan describing the nature and schedule of such training and the timing of the training sessions.
- ii. The training plan shall identify the Contractor's resources that will be used for the training effort.
- iii. The training plan shall be mutually agreed to and have the approval of the State's Program Manager prior to commencement of that training.

b. **Training Materials**

At least one (1) copy of all training materials to be used by Contractor's trainers must be delivered to the State at the time of the training session. These training materials must be able to be copied without copy write infringement or incurring fees, and will be used by the State in any internal training deemed necessary.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

Contractor will provide a Contract Administrator at all time during the contract. The duties of the Contract Administrator shall include, but not be limited to:

- i) Supporting the management of the Contract,
- ii) Facilitating dispute resolution, and
- iii) Advising the State of performance under the terms and conditions of the Contract. The State reserves the right to require a change in the current Contract Administrator if the assigned Contract Administrator is not, in the opinion of the State, adequately serving the needs of the State.

Contractor shall designate, at a minimum, a primary and secondary customer service representative (CSR), identified as a Key Personnel, (not the standard customer service support offered to the public) for the State's Designated Program Manager and each Agency/Department.

1. State's Designated Program Manager may request a substitute CSR if the person assigned is unsatisfactory, as determined by the State.
2. This representative must be present at all regularly scheduled quarterly Joint Operations Meeting meetings related to the Contract, and will be responsible for the following:
 - a. Coordinating all orders for awarded services and hardware
 - b. Coordinating all invoicing/summary billing inquiries
 - c. Coordinating responses to all concerns related to service or hardware
 - d. Activating and terminating services
 - e. Making changes to accounts
 - f. Assisting in problem resolution



3. Specify how many customer service representatives will be assigned to the State of Michigan, and their enterprise/government account experience. (For example, by region, by agency, etc...)
4. At least one Customer Service Representative will be available during the State's operating hours.
5. All service representatives will have on-line access to information to provide immediate response to inquiries concerning the status of orders and requests for maintenance services.
6. Representatives will be available by phone, fax, or email (local and toll-free number preferred).

Contractor will provide a Project Manager, identified as a Key Personnel, to work closely with the designated personnel from the State to insure a smooth transition to the services. The Project Manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. Contractor's project manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any
- Develop the transition/implementation plan and schedule, and update as needed
- Serve as the point person for all transition/implementation issues
- Assess and report on services
- Escalate issues, risks, and other concerns
- Proactively propose/suggest options and alternatives for consideration
- Monitoring billing for accuracy

Contractor has identified and, will provide resumes for the following staff that must be assigned to the contract and as replacements personnel is provided:

- Network Engineer – to provide Level 2 technical support to the State for design issues and resolution of problems such as extended downtime, blockage or data transmission issues.
- Service Manager – to act as the primary escalation point for service and maintenance issues; provide notice and information on network service issues that may affect services; manage and provide reports on service levels, and document service and maintenance provided.

Contractor has provided, and will update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the services.

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this contract.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The Michigan Dept. of Information Technology, Telecommunications Division is responsible for the administration of the services within the contract. MDIT shall provide a Program Manager. The MDIT Program Manager will serve as a contact for all issues pertaining to the execution of services under the contract. As of the effective date for contract commencement the MDIT Program Manager shall be:

Steve McMahon
 Michigan Dept. of Information Technology – Telecommunications
 608 W. Allegan
 Lansing, MI 48913
 Phone: 517-373-6353
 E-mail: mcmahons@michigan.gov

The State's Program Manager will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors
- Facilitate communication between different State departments/divisions



- Escalation of outstanding/high priority issues
- Conducting regular and ongoing review of the services
- Documentation and archiving of all reports
- Arrange, schedule and facilitate State staff attendance at all project meetings

The State project team will consist of the following members:

- Steering committee - MDIT Telecommunication and Network Management Director and the Program Manager, who will serve as chair of the steering committee.
- Executive Subject Matter Expert (SME's)
- Project support

The project steering committee will provide the following services:

- Approve the implementation schedule
- Authorize modifications for scope, resources, and budget of the project
- Ensure senior management commitment to the project
- Act as a final arbiter on proposed changes that significantly affect the business interests of the State

The Executive SME will be empowered to:

- Resolve issues in a timely manner
- Review implementation plan, status, and issues
- Resolve deviations from implementation plan
- Ensure timely availability of State resources
- Make key implementation decisions, as identified by the Contractor's project manager, within 48-hours of their expected decision date.

Issues shall be escalated for resolution from level 1 through level 3, as defined below:

Level 1 – Project Support – MDIT Program Manager

Level 2 – Project Manager/Executive SME – MDIT Telecommunication and Network Management Director

Level 3 – Steering Committee Member – MDIT Telecommunication and Network Management Director and DMB Purchasing/Buyer

MDIT shall provide a Program Manager whose duties shall include but not be limited to:

- Supporting the management of the Contract,
- Advising MDIT of Contractor's performance under the terms and conditions of the Contract, and
- Periodic verification of pricing and monthly reports submitted by Contractor.

1.203 OTHER ROLES AND RESPONSIBILITIES

The State Agency Telecommunication Coordinators may provide additional information and requirements needed for reporting and ordering of equipment and services.

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

1. Orientation Meeting

- a. Upon execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract.
- b. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to MDIT and the Contractor.
 - i. MDIT shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

2. Performance Review Meetings

- a. MDIT will require the Contractor to attend periodic meetings to review the Contractor's performance under the Contract.



- b. The meetings will be held in Lansing, Michigan, or by teleconference, at a date and time mutually acceptable to MDIT and the Contractor.
- i. MDIT shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

1.302 REPORTS

In addition to the reports identified in Work and Deliverables, Section 1.1, the Contractor shall also provide any other information MDIT and/or MDMB may request, both for the State in its entirety and for MDIT agencies individually.

1.4 Project Management

1.401 ISSUE MANAGEMENT

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

The Contractor shall provide process flow for creating and maintaining an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Program Manager on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

1.402 RISK MANAGEMENT

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the Contract. Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of mitigation strategies, and (4) monitoring of risk and mitigation strategy.

Contractor's proposal must define risks identified as being significant to the success of the project. Include how you would propose to effectively monitor and manage these risks, including reporting of risks to the State.

1.403 CHANGE MANAGEMENT

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract. **See section 2.100 for details.**

If a proposed contract change is approved by the Agency, the Contract Administrator will submit a request for change to the Department of Management and Budget, Purchasing Operations Buyer, who will make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Contractors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.**



1.5 Acceptance

1.501 CRITERIA

The State will consider equipment accepted when delivery of the equipment is made to the specified delivery address, AND; complete packing slips with applicable serial numbers are provided to the State. Contractor will not invoice for equipment, and the State will not authorize payment of invoices, until both of the above conditions have been met. Where direct shipment or delivery of equipment to State agency sites are a requirement of the purchase order, the Contractor is responsible to ensure that a copy of the signed receiving documents are forwarded to MDIT before payment will be authorized. Equipment discovered to be defective or failing to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the equipment or non-compliance with the specifications was not reasonably ascertainable upon initial inspection.

Acceptance of services is tied to adequate performance of the required Services.

1.502 FINAL ACCEPTANCE

Acceptance is tied to adequate performance of required Services and delivery of equipment meeting the requirements of this SOW.

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

A General Pricing Requirements See Attachment C and D

1. Contractor listed pricing must include all information related, directly or indirectly, to the charges for services and deliverables including, but not limited to, costs, fees, prices, rates, bonuses, discounts, credits, rebates, or the identification of free services, labor or materials.
2. The State is exempt from all Federal, State and Local taxes. Moreover, since the wireless industry is unregulated to date, the State finds no justification for the payment of any USF charges or any other taxes, fees or surcharges. If Contractor(s) intends to include any taxes, fees or surcharges in the attached pricing, Contractor is to reference and cite the specific regulatory mandate.
3. Contractor will Identify taxes, fees, or surcharges that are normally charged and their amounts.
4. No activation or early termination/cancellation fees or charges shall be incurred by the State.
5. For all service plans and options, provide discounts on cell phones, PC data cards, and accessories. Supporting percentage detail to be provided.
6. If percentage discounts are offered from plans in effect at the time of service ordering, it is understood that these discounts will be applied to standard plans and promotional plans at the time of service activation or service change.
7. The State will retain the right to change subscriber plans at its option during the term of contract. The State will retain the ability to change plans for short periods of time for example trips that may require out of state or international travel, or special projects. No fees or other charges are to be incurred for these changes.
8. Personal Use cell phones, pc data cards - Contractor may provide contract discounts to State employees for personal use.
9. Contractor agrees all the prices, terms, warranties, and benefits provided in this Contract are comparable to or better than the terms presently being offered by Contractor to any other governmental entity purchasing the same quantity under similar terms. If, during the term of this Contract, Contractor shall enter into contracts with any other governmental entity providing greater benefits or more favorable terms than those provided by this Contract, Contractor shall be obligated to provide the same to the State for subsequent purchases.



B. For cellular voice services

1. Contractor shall provide pricing plans as follows:

- a. **Option 1** – Flat rate per minute for voice cellular services. For high volume users, lower cost per minute packages is to be provided. This should be for the increments of 1,000, 2,000, 3,000 and 10,000 or as requested and agreed to by the parties to meet the needs of this contract. Minutes above the package maximum will be billed at the standard flat rate.

The flat rate per minute plan.

Optionally, pricing that includes unlimited free Member-to-Member and Nights and Weekends (beginning at 7pm) will be provided.

Included cell phones, services, wall charger, car charger, belt clip and features will be described in detail in the products provided and in the pricing section.

When the subscriber elects to purchase a cell phone that is not included in the basic package, a credit amount shall be made available toward that purchase of the cell phone. The credit amount shall be identified.

All service fees are to be identified. Fees not identified will not be paid.

- b. **Option 2** – Discount off standard package rates. The State is expecting that a basic cell phone will be included in one or more of the standard packages.

When the subscriber elects to purchase a cell phone that is not included in the basic package a credit amount shall be made available toward that purchase of the cell phone. The credit amount shall be identified.

All service fees are to be identified. Fees not identified will not be paid.

- c. **Option 3** – Other pricing plan – plans specifically tailored for the State of Michigan (for example Emergency Use Only and High Volume Usage plans). Included cell phones, services, and features will be described in detail.

When the subscriber elects to purchase a cell phone that is not included in the basic package, a credit amount shall be made available toward that purchase of the cell phone. The credit amount shall be identified.

All service fees are to be identified. Fees not identified will not be paid.

2. Pricing and terms as outlined / applicable to all above cellular voice service shall be included in the pricing section:

- a. Discounts on handsets and accessories.
- b. Billing rate basis for charges shall be **Full Minute**, including first increment, for both local and long distance calls.
- c. For plans involving fixed minutes, minute pooling shall be provided at the Division, Agency or State level.
- d. Unlimited cell phone to cell phone calls between Contractor's subscribers shall be included in all pricing options, including the fixed rate plan.
- e. Roaming charges outside of the Plan are to be identified and priced.
- f. Provide pricing for:
 - i. pay-as-you-go plan,
 - ii. pre-paid phones,
 - iii. international calls



- g. Provide fees (if applicable) / charges for 8XX, 211, 311, 411, 511, 611, 711, 811 and 911 prefix calls.
- h. Provide pricing for Directory Assistance calls
- i. Provide pricing for other service or assistance calls.
- j. Data plans for cell phones, Blackberries, and PDA's shall be described with pricing and discounts.
- k. Given the description provided of the State's Blackberry connection via RIM servers, identify any other charges, fees, and discounts for Blackberry connection.
- l. If any data plan usage also counts against voice minutes, Contractor shall identify this in the pricing section.
- m. Short Message Service (SMS) services shall be described with pricing and discounts
- n. Instant Messaging services shall be described with pricing and discounts.
- o. For voice priority service, list any monthly fixed fee, airtime or per call fees.
- p. For bank of phones to be used for state emergencies, identify all costs for these phones and services.
- q. Provide pricing for voice dialing capabilities, if any for handset based, network based or other.
- r. Provide pricing for wireless data services that connect a PC, laptop or PDA to the Internet through a cell phone.

C. For Push-to-Talk services, (Reserved).

- D. For PC Data Cards,** All data plans including unlimited usage plans are to be described and priced.
All service fees are to be identified. Fees not identified will not be paid.

E. For Pagers, (Reserved)

F. Payment

Contractor will submit properly itemized invoices to authorized agent for each department named within the order.

G. Invoicing and Payment

1. Format of Service Invoicing

- a. Agencies may require Contractor to invoice electronically pursuant to agency guidelines. Future guidelines may require the Contractor to supply electronic invoices in lieu of paper-based invoices.
- b. Contractor shall make invoices available in the following formats at no cost:
 - i. Electronic format compatible with Microsoft Excel 2000 at a minimum, on physical media (CD, DVD, etc.)
 - ii. Hard copies – paper-based
- c. Indicate whether invoices can be provided electronically in ASCII format.
- d. Indicate if electronic copies as described above can be available online (web, ftp, email, etc.) if requested.

2. Service Invoice Requirements

Contractor shall provide the ability for the State's Program Manager and ATCs to invoice accounts separately, or by grouping specified accounts into a master/parent invoice.

3. Individual Account Service Invoicing

- a. The State is very concerned about the time and effort required to resolve billing errors caused by the Contractor(s). As an incentive to the Contractor(s) to minimize billing errors, the State requests that credits for errors found by the State plus an additional 20 percent of the error be credited to the State if errors are not corrected within 30 days.
- b. If invoicing by individual account, invoices must be received monthly, and must use the Contractor's letterhead. Contractor must work with the State's Program Manager for setting the Monthly Billing Cycle date.



- c. Individual agencies may require different or additional elements to meet departmental guidelines.
- d. Each invoice must contain at a minimum the following elements:
 - i. Contractor name, address, and telephone number
 - ii. Invoice Number
 - iii. Invoice Period / invoice date
 - iv. Contract Number
 - v. Vendor's Remittance Address
 - vi. Account Number
 - vii. Cost Center - alphanumeric field designated by the ATC for internal audit control, if used
 - viii. Agency Index Code - five-digit number designated by the State
 - ix. Itemized Charges – Monthly Service, Feature, Airtime, Long Distance, Roaming, Data, etc.
 - x. Payment Remittance Address
 - xi. State Provided Purchase Order Number
 - xii. Order Date
 - xiii. Description and quantity of each line item purchased
 - xiv. Itemized Usage – Plan minutes used, overage minutes used, text messages sent, etc.
 - xv. Adjustments
 - xvi. Total Service Charges
 - xvii. Total Charges
 - xviii. Totals - total for each cost center (if multiples are used on the same order), and total charges for ordering organization. The bottom of each invoice shall have a total for all orders, a total for all credits, and amount due
 - xix. Contractor / manufacturer catalog / reference number
 - xx. Contractor's list price
 - xxi. Appropriate State percentage discount
 - xxii. State net price
 - xxiii. Any additional discounts offered for volume orders, prompt payment, or other Contractor offered incentives
- e. Invoicing must be provided in detail by:
 - i. all incoming and outgoing calls
 - ii. call, date, and time
 - iii. minutes
 - i. long distance
 - ii. paging
 - iii. text messaging
 - iv. rate per unit
 - v. extended total of each line item invoiced
 - vi. all discounts must be shown as separate line items
 - vii. any approved fees or surcharges must be identified and listed separately
 - viii. all subcontracted services must be invoiced separately
- f. Other services invoices must supply plan identification and adequate itemized usage to validate billed amount.

4. **Format of Equipment Invoicing**

Equipment invoices shall be provided in hardcopy (paper) and/or electronic format.

5. **Equipment Invoice Requirements**

- a. Equipment invoices must be generated and sent to the billing address as specified on the order within 30 days of acknowledgement of order receipt by Contractor.
- b. Equipment invoices must be standalone (i.e., separate from service invoices). Each invoice must use the Contractor's letterhead. Individual agencies may require additional elements to meet departmental guidelines, which shall be provided at no extra cost.



- c. Each invoice must contain a minimum of the following elements:
 - i. Contract Number
 - ii. Contractor Name
 - iii. Vendor's Remittance Address
 - iv. Agency Order Number/Purchase Order #
 - v. Contractor Order Number
 - vi. Agency Billing Code
 - vii. Cost Center
 - viii. Account Number
 - ix. Order Date
 - x. Unit Product Details – Manufacturer, model number, description, etc.
 - xi. Product Cost Details – A detailed breakdown of product cost by line-item: product published cost, product discount, product cost to State, etc.
 - xii. A separate line-item for tax and delivery charges
 - xiii. Quantity
 - xiv. Person Placing Order
 - xv. Method of Ordering
 - xvi. Ship to Address
 - xvii. Additional information required by the State
- f. **Credit Card**
 - i. Contractor shall only accept Credit Card purchases from an ATC.
 - ii. A sales receipt itemizing purchased goods must be received by the cardholder within five (5) business days.
- g. **Invoice Recordkeeping**
 - i. Contractor shall maintain detailed records pertaining to the cost of services rendered and products delivered for a period of three years from the date of acceptance of each purchase order.
 - ii. These records shall be subject to inspection by the purchasing entity and appropriate governmental authorities within the purchasing entity's geographical location.
 - iii. The purchasing entity shall have the right to audit billings either before or after payment.
 - iv. Payment under this agreement shall not negate the right of the purchasing entity to recover excessive or illegal payments.
- h. **Service Credits**
 - i. When crediting agencies/subscribers, Contractor shall do the following:
 - 1. The credit will be issued by the Contractor's customer service representative and will appear on the agency's next monthly invoice as a separate line item.
 - 2. The Contractor can also instruct the purchasing entity to deduct the credit amount from the current invoice if that would be more in line with the procuring agencies satisfaction and requirements.
- i. **Equipment Credits**

A credit memo will be sent to the ATC and the Program Manager by the Contractor and will contain the following information:

 - i. Credit date of issue
 - ii. Subscriber/account number
 - iii. The invoice number and date
 - iv. Reason for credit
 - v. Amount of credit issued
- j. **Rebates**
 - i. All Rebates shall be applied to the State as credits immediately.
- k. **Invoicing Dispute Resolution**
 - i. Contractor will respond to invoicing disputes within 2 days of notice and provide a plan for resolution within 5 days of notice to the State's Designated Contract Administrator and/or ATCs.
 - ii. The Contractor will also provide status updates on resolution as requested.



I. Invoice Tools

AT&T has provided, at no cost, invoicing tool that may be used at the State's options. On a monthly basis AT&T provides the Wireless Information Navigator Advantage CD, or 'WIN'. A robust, proprietary AT&T tool, WIN 8.0 allows customers to pay a single invoice, access a full array of standard and customized management reports, and export data to Excel or external reporting tools via Rich Text Format, comma-separated, or tab-separated files. WIN CDs with analysis tools and your billing data are shipped at the end of each billing cycle.

6. Other Pricing

- a. Price Protection - All materials, supplies, and services ordered by and / or provided to the State shall be price protected and considered maximum at the established net prices referenced in Contractor's submittal response throughout the Contract period as noted. Additional discounts offered by Contractor for materials and services during the term of the Contract will be accepted.
- b. Pricing Review
 - i. The Contractor agrees to meet with the State's Program Manager a minimum of every six (6) months to determine in good faith whether (and, if so, what) downward changes to the rates and charges and related terms are appropriate in light of then-current alternatives and pricing available in the competitive, full marketplace for wireless equipment and services. The intent of the meeting is that the pricing for the equipment and services, is adjusted throughout the term to maintain the original discount offered to the then prevailing available full market pricing.
 - ii. The duration of the review shall last no more than thirty (30) calendar days.
 - iii. If the parties reach agreement to reduce pricing based upon that review, an Agreement amendment that shall be accepted by both parties and processed in accordance with Section 1.403, Change Management.

7. Technology Refresh and Market Rate Changes

- a. During the term of the contract, it may be necessary to refresh technology to adjust to major industry changes and significant new technology advancements. If the telecommunications industry experiences a technological breakthrough rendering products or services proposed herein ineffective or obsolete, the State and the Contractor agree to jointly review technological advances pertaining to the products and services included in this contract and mutually agree to amend the requirements of the original agreement as deemed necessary by both parties, following the Change Management process of Section 1.403.
- b. During the term of the contract, the telecommunications industry rates may decrease for services included in this contract. In this event, Contractor will decrease the rates whereby they are consistent with the original discounts. Contractor will adjust rates downward to ensure that the State receives the lowest pricing that Contractor has offered to any other customer.
- c. Technology Refresh and Market Rate Changes will be reviewed and potentially renegotiated every six months as a part of the regularly scheduled quarterly Joint Operations meetings.

8. Volume Discounts

- a. During the term of the contract, the volume of products and/or services may increase from the initial volume statistics used to determine the rates. The Contractor must provide rates associated with a larger purchase volume in the event the State's aggregate volume increases during the term of the contract. Contractor must agree to renegotiate the volume of minutes and/or phones included if the volume significantly impacts contract pricing.
- b. Volume discounts will also be reviewed and potentially renegotiated every six months as a part of the regularly scheduled quarterly Joint Operations meetings.

1.7 Additional Terms and Conditions Specific to this SOW

1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW (RESERVED)

Appendix A
List of Michigan Counties

Michigan Counties List

1 Alcona	49 Mackinac
2 Alger	50 Macomb
3 Allegan	51 Manistee
4 Alpena	52 Marquette
5 Antrim	53 Mason
6 Arenac	54 Mecosta
7 Baraga	55 Menominee
8 Barry	56 Midland
9 Bay	57 Missaukee
10 Benzie	58 Monroe
11 Berrien	59 Montcalm
12 Branch	60 Montmorency
13 Calhoun	61 Muskegon
14 Cass	62 Newaygo
15 Charlevoix	63 Oakland
16 Cheboygan	64 Oceana
17 Chippewa	65 Ogemaw
18 Clare	66 Ontonagon
19 Clinton	67 Osceola
20 Crawford	68 Oscoda
21 Delta	69 Otsego
22 Dickinson	70 Ottawa
23 Eaton	71 Presque Isle
24 Emmet	72 Roscommon
25 Genesee	73 Saginaw
26 Gladwin	74 Sanilac
27 Gogebic	75 Schoolcraft
28 Grand Traverse	76 Shiawassee
29 Gratiot	77 St. Clair
30 Hillsdale	78 St. Joseph
31 Houghton	79 Tuscola
32 Huron	80 Van Buren
33 Ingham	81 Washtenaw
34 Ionia	82 Wayne
35 Iosco	83 Wexford
36 Iron	
37 Isabella	
38 Jackson	
39 Kalamazoo	
40 Kalkaska	
41 Kent	
42 Keweenaw	
43 Lake	
44 Lapeer	
45 Leelanau	
46 Lenawee	
47 Livingston	
48 Luce	

**Appendix B
Glossary of Terms**

The following words and phrases, when used in the Contract, shall have the indicated meanings. (Terms capitalized within a particular definition are defined elsewhere within the Contract.)

“AFFILIATE” shall mean any entity, employees, directors, partners, joint venture participants, parent corporations, subsidiaries, or any other person that, directly or indirectly, controls, is controlled by, or is under common control with Contractor or Qualified Provider, whether through ownership of more than fifty (50%) of the voting securities, by contract, managing authority or otherwise.

“AGENCY” or (**“AGENCIES”**) shall mean a tax supported public entity (or entities) empowered to expend public funds to purchase Deliverables and Services from the Contract.

“AGREEMENT” shall have the same meaning as “Contract” and the terms shall be used interchangeably.

“AMPS” shall mean Advanced Mobile Phone Service.

“ANSI” shall mean American National Standards Institute.

“ATC” shall mean the State’s designated Agency Telecom Coordinator(s).

“BID” shall mean an offer made in response to the RFP to perform a contract for work and labor describer in the RFP in accordance with the terms and conditions provided in the Contract.

“BIDDER” shall mean a supplier who submits a Bid to the State in response to the RFP.

“BUSINESS DAY” shall mean 8:00 a.m. to 5:00 p.m. Eastern Standard Time, Monday through Friday, excluding State holidays.

“CD” shall mean Compact Disc.

“COMMERCIAL SOFTWARE” shall mean Software developed or regularly used that: (i) has been sold, leased, or licensed to the general public; (ii) has been offered for sale, lease or license to the general public; (iii) has not been offered, sold, leased, or licensed to the general public but will be available for commercial sale, lease, or license in time to satisfy the delivery requirements of the contract; or (iv) satisfies a criterion expressed in (i), (ii) or (iii) above and would require only minor modifications to meet the requirements of the Contract.

“CONTRACT” shall mean the State of Michigan Standard Agreement, the SOW and the Proposal, together with all attachments thereto (including General Provisions), documents incorporated therein by reference, and all regulatory filings made pursuant thereto for the applicable Services. The term “Contract” shall have the same meaning as “Agreement” and the term shall be used interchangeably.

“CONTRACTOR” shall mean the entity which responded to the RFP and all of its Affiliates providing Deliverables and/or Services under the applicable Contract.

“CONVERGED SERVICES” shall mean voice, video, and data services that run over a converged network. Includes advanced data and information services and application such as IP-based voice, integrated messaging, advanced data and information services and applications such as IP-based voice, integrated messaging, web-based conference calling, voice enabled instant messaging, Enhanced Class features – features that enhance productivity and performance such as selective call waiting, group ring, and find-me, follow-me etc.

Telecommunications Contract AT&T

“CONVERGENCE” shall mean the definition of network architecture that allows for voice, video, and data communications to run over a single (converged) network.

“CPE” or **“CUSTOMER PREMISE EQUIPMENT”** shall mean customer owned telecommunications Equipment located at a customer location.

“CUSTOMER” shall mean an Agency that is purchasing goods and services from the Contract.

“DATA PROCESSING SYSTEM (SYSTEM)” shall mean the total complement of Contractor-furnished Machines, including one or more central processors (or instruction processors) and Operating Software, which are acquired to operate as an integrated group.

“db” shall mean decibel.

“DELIVERABLES” shall mean the Goods, Software, Information Technology, telecommunications technology and other items (e.g. reports) to be delivered pursuant to the applicable Contract, including any such items furnished incident to the provision of Services.

“DELIVERY DATES” shall mean the dates specified by the State for the delivery by Contractor or Qualified Provider of certain Deliverables or Services.

“DESIRABLE ITEMS” shall mean attributes or conditions in the Contract that are defined by the words “should” or “may”.

“DOCUMENTATION” shall mean nonproprietary manuals and other printed materials necessary or useful to the State in its use or maintenance of the Equipment or Software provided hereunder. Manuals and other printed materials customized for the State hereunder constitute Documentation only to the extent that such materials are described in or required by the Statement of Work.

“DVD” shall mean Digital Video Disc.

“EFFECTIVE DATE” shall mean the later date on which the Contract has been both executed by Contractor or Qualified Provider and has been executed and approved by the State in accordance with the terms therein.

“END-USER” shall mean an individual within an Agency that is utilizing the feature or service provided under the Contract.

“END TO END SERVICE” shall mean the Contractor is responsible for providing Service(s) on a statewide basis, whether provided by Contractor or subcontractors.

“EQUIPMENT” is an all-inclusive term, which refers either to individual Machines or to a complete Data Processing System or subsystem, including its Hardware and Operating Software (if any).

“EQUIPMENT FAILURES” shall mean a malfunction in the Equipment, excluding all external factors, which prevents the accomplishment of the Equipment’s intended function(s). If microcode or Operating Software residing in the Equipment is necessary for the proper operation of the Equipment, a failure of such microcode or Operating Software which prevents the accomplishment of the Equipment’s intended functions shall be deemed to be an Equipment failure.

“E911” shall mean the wireless Enhanced 911 (E911) FCC rules which seek to improve the effectiveness and reliability of wireless 911 service by providing 911 dispatchers with additional information on wireless 911 calls.

“FCC” shall mean the Federal Communications Commission.

Telecommunications Contract AT&T

“FOC” shall mean Final Operating Capability.

“GOODS” shall mean all types of tangible personal property, including but not limited to materials, supplies, and Equipment (including computer and telecommunications Equipment).

“GPS” shall mean Global Positioning System.

“HARDWARE” usually refers to computer Equipment and is contrasted with Software. See also Equipment.

“IMS” shall mean Instant Messaging Service.

“IT” or **“INFORMATION TECHNOLOGY”** shall mean all electronic technology systems and services, automated information handling, System design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications which include voice, video, and data communications, requisite System controls, simulation, electronic commerce, and all related interactions between people and Machines.

“LEGISLATURE” shall mean the Michigan State Legislature.

“MACHINE” shall mean an individual unit of Data Processing System or subsystem, separately identified by a type and/or model number, comprised of but not limited to mechanical, electro-mechanical, and electronic parts, microcode, and special features installed thereon and including any necessary Software, e.g., central processing unit, memory module, tape unit, card reader, etc.

“MATERIAL DEVIATION” shall mean a deviation from a requirement that is not in substantial accord with the RFP Requirements, provides an advantage to one Bidder over other Bidders, or has a potentially significant effect on the delivery, quantity or quality of items proposed, amount paid to the Bidder, or for the cost to the State.

“MDIT” shall mean the Michigan Department of Information Technology.

“MDMB” shall mean the Michigan Department of Management and Budget.

“MIGRATION” or **“MIGRATE”** shall mean all tasks, Deliverables and activities related to or necessary for the migration of the provision of Services pursuant to the Contracts for Services.

“MPSC” shall mean the Michigan Public Service Commission.

“NCRP” shall mean National Council on Radiation Protection and Measurements.

“NCS” shall mean the National Communications System.

“NOTICE OF TERMINATION” shall mean a written notice of termination from the State to Contractor or Qualified Provider pursuant to the Contract.

“OPERATING SOFTWARE” shall mean those routines, whether or not identified as Program Products, that reside in the Equipment and are required for the Equipment to perform its intended function(s), and which interface the operator, other Contractor-supplied programs, and user programs to the Equipment.

“PBX” shall mean Private Branch Exchange.

“PDA” shall mean Personal Digital Assistant device.

“PERFORMANCE TESTING PERIOD” shall mean a period of time during which the State, by appropriate tests and production runs, evaluates the performance of newly installed Equipment and Software prior to its

Telecommunications Contract AT&T

acceptance by the State.

“PIM” shall mean Personal Information Management.

“PMM” shall mean the State’s Project Management Methodology.

“POP3” shall mean Post Office Protocol Version 3.

“PSAP” shall mean Public Safety Answering Point.

“PTT” shall mean the Push To Talk functionality of a wireless device.

“QUALIFIED PROVIDER” shall mean the entity identified in the introductory paragraph to the General Provisions and all of its Affiliates providing Deliverables and/or Services under applicable Contract.

“REQUIREMENT” shall mean the technical and administrative performance and delivery Requirements established by the State throughout the contract.

“RIM” shall mean Research In Motion, the current Blackberry device manufacturer.

“RFP” shall mean Request For Proposal as defined in Section 1 of the Scope of Work.

“SEALED PROPOSAL” shall mean a Proposal that is contained/wrapped/boxed in such a manner that no part of the Proposal is revealed.

“SERVICES” shall mean, collectively, the services, functions and responsibilities described in the Contract as they may be supplemented, enhanced, modified or replaced during the Term in accordance with the Contract, including any Enhancements approved by the State.

“SME” shall mean Subject Matter Expert.

“SOFTWARE” is an all-inclusive term which refers to any computer programs, routines, or subroutines supplied by the Contractor, including Operating Software, programming aids, application programs, and program products.

“SOW” shall mean Statement Of Work.

“STANDARDS” shall mean the State defining business standards as well as industry defined and accepted standards for communications published by recognized organizations such as IEEE, IETF, ITU, ANSI, TIA/EIA, etc.

“STATE” shall mean MDMB/MDIT, or as MDMB/MDIT may designate, in its sole discretion, any other department, division, or unit of the State of Michigan, any agency or governmental entity of the State of Michigan or any local jurisdiction within the State of Michigan empowered to expend public funds, and their end-users, intended to receive the benefit of the Services.

“STATEMENT OF WORK” is Article 1 and any additional statements of work entered into by the State and Contractor pursuant to this Contract.

“SUPPLIER” shall mean a business entity, Bidder, offeror, vendor, Contractor, or Qualified Provider.

“SYSTEM” shall mean the complete collection of Hardware, Software and Services as described in this Contract, integrated and functioning together, and performing in accordance with this Contract.

“TAP” shall mean Telocator Alphanumeric Protocol.

“TERM” shall have the meaning given it in Section xx.

“UNIFIED MESSAGING” shall mean access to e-mail, voice mail and faxes by a common interface by computer or by telephone. The end user can access these messages from a variety of devices – PCs, Telephones, PDAs, etc.

“USF” shall mean Universal Service Fund.

“VoIP” shall mean Voice Over Internet Protocol.

“Wi-Fi” shall mean a brand originally licensed by the Wi-Fi Alliance to describe the embedded technology of wireless local area networks (WLAN) based on the IEEE 802.11 specifications. Wi-Fi was developed to be used for mobile computing devices, such as laptops in Local Area Networks, but is now increasingly used for more services, including Internet and VoIP phone access, gaming, and basic connectivity of consumer electronics such as televisions, DVD players, and digital cameras. More standards are in development that will allow Wi-Fi to be used by cars on highways in support of an Intelligent Transportation System to increase safety, gather statistics, and enable mobile commerce

“WiMAX” shall mean **Worldwide Interoperability for Microwave Access** as defined by the WiMAX Forum, formed in June 2001 to promote conformance and interoperability of the IEEE 802.16 standard. WiMAX aims to provide wireless data over long distances, in a variety of different ways, from point to point links to full mobile cellular type access. The Forum describes WiMAX as "a standards-based technology enabling the delivery of last mile wireless broadband access as an alternative to cable and DSL".

“2G” shall mean second generation wireless technology. The main differentiator to previous mobile telephone systems, retrospectively dubbed 1G, is that the radio signals that 1G networks use are analog, while 2G networks are digital.

“3G” shall mean third generation wireless technology. The services associated with 3G provide the ability to transfer simultaneously both voice data (a telephone call) and non-voice data (such as downloading information, exchanging email, and Instant Messaging Service).

“4G” shall mean fourth generation wireless technology for which a standards and features are not yet fully defined. 4G is not just one defined technology or standard, but rather a collection of technologies and protocols to enable the highest throughput, lowest cost wireless network possible. The Wireless World Research Forum (WWRF) defines 4G as a network that operates on Internet technology, combines it with other applications and technologies such as Wi-Fi and WiMAX, and runs at speeds ranging from 100 Mbps (in cell-phone networks) to 1 Gbps (in local Wi-Fi networks). <http://en.wikipedia.org/wiki/4G> - [note-whatis4g# note-whatis4g](#)

Article 2 – General Terms and Conditions

2.010 Contract Structure and Administration

2.011 Definitions

Capitalized terms used in this Contract (including its Exhibits) shall have the meanings given below, unless the context requires otherwise:

- (a) “Days” means calendar days unless otherwise specified.
- (b) “24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
- (c) “Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “Additional Service” does not include New Work.
- (d) “Amendment Labor Rates” means the schedule of fully-loaded hourly labor rates
- (e) “Audit Period” has the meaning given in **Section 2.111**.
- (f) “Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
- (g) “Incident” means any interruption in Services.
- (h) “Business Critical” means any function identified in any Statement of Work as Business Critical.
- (i) “Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work
- (j) “Key Personnel” means any Personnel designated in **Article 1, Section 1.201**
- (k) “New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “New Work” does not include Additional Service.
- (l) “Services” means any function performed for the benefit of the State.
- (m) “State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
- (n) “Subcontractor” means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
- (o) “Work in Process” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

2.012 Attachments, Appendices and Exhibits

All Attachments, Appendices and/or Exhibits attached to any, and all Statement(s) of Work, attached to, or referencing this Contract, are incorporated in their entirety into, and form part of, this Contract.

2.013 Statements of Work

- (a) The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract, or an amendment to this Contract (see 2.106). Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.
- (b) Unless otherwise agreed by the parties, each Statement of Work (as defined in Article 1) will include, or incorporate by reference to the appropriate Contract Article 1 Attachment containing, the following information:
 - a description of the Services to be performed by Contractor under the Statement of Work;
 - a project schedule (including the commencement and completion dates for all tasks, subtasks (for all projects of sufficient duration and complexity to warrant sub task breakdown), and Deliverables;
 - a list of the Deliverables to be provided, if any, including any particular specifications and acceptance criteria for such Deliverables, and the dates on which the Deliverables are scheduled to be completed and delivered to

Telecommunications Contract AT&T

the State;

- all Deliverable price schedules and other charges associated with the Statement of Work, the overall fixed price for such Statement of Work and any other appropriate pricing and payment terms;
- a specification of Contractor's and the State's respective performance responsibilities with respect to the performance or completion of all tasks, subtasks and Deliverables;
- a listing of any Key Personnel of Contractor and/or its Subcontractors for that Statement of Work and any future Statements of Work;
- any other information or provisions the parties agree to include.

(c) Reserved.

(d) The initial Statements of Work, as of the Effective Date, are attached to this Contract.

2.014 Issuing Office

This Contract is issued by the Department of Management and Budget, Office of Purchasing Operations and the Department of Information Technology (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **Purchasing Operations is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contract Administrator within the Office of Purchasing Operations for this Contract is:

Doug Collier

Office of Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Collierd1@michigan.gov
517-335-4804

2.015 Contract Compliance Inspector

Upon receipt at PURCHASING OPERATIONS of the properly executed Contract, it is anticipated that the Director of DMB Purchasing Operations, in consultation with the Department of Information Technology will direct that the person named below, or any other person so designated, be authorized to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by the Office of Purchasing Operations.** The Contract Compliance Inspector for this Contract is:

Michael Breen

Department of Information Technology
Constitution Hall, 1st Floor N Tower
Lansing, MI 48909
breenm@michigan.gov
(517) 241-7720

2.016 Project Manager

The following individual will oversee the project:

Steve McMahon

Michigan Dept. of Information Technology – Telecommunications
608 W. Allegan
Lansing, MI 48913
Phone: 517-373-6353

E-mail: mcmahons@michigan.gov

2.020 Contract Objectives/Scope/Background

2.021 Background

See Article 1

2.022 Purpose

See Article 1

2.023 Objectives and Scope

See Article 1

2.024 Interpretation

Sections 2.021 through 2.023 are intended to provide background and context for this Contract and are not intended to expand the scope of the obligations under this Contract or to alter the plain meaning of the terms and conditions of this Contract. However, to the extent the terms and conditions of this Contract are unclear or otherwise ambiguous, such terms and conditions are to be interpreted and construed in light of the provisions of this Section.

2.025 Form, Function and Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.030 Legal Effect and Term

2.031 Legal Effect

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.032 Contract Term

This Contract is for a period of two (2) years commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.033 Renewal(s)

This Contract may be renewed in writing by mutual agreement of the parties not less than thirty (30) days before its expiration. The Contract may be renewed for up to three (3) additional one (1) year periods. Successful completion of negotiations surrounding the terms of the extension, will be a pre-requisite for the exercise of any option year.

2.040 Contractor Personnel

2.041 Contractor Personnel

(a) **Personnel Qualifications.** All persons assigned by Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the

Telecommunications Contract AT&T

State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

(b) Key Personnel

(i) In discharging its obligations under this Contract, Contractor shall provide the named Key Personnel on the terms indicated. **Exhibit C** provides an organization chart showing the roles of certain Key Personnel, if any.

(ii) Key Personnel shall be dedicated as defined in **Exhibit C** to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. Additionally, the State's request shall be based on legitimate, good-faith reasons. Proposed alternative for the individual denied, shall be fully qualified for the position.

(iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides thirty (30) days of shadowing unless parties agree to a different time period. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its rights under **Section 2.210**.

(v) It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.210**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount shall be \$25,000.00 per individual provided Contractor identifies a replacement approved by the State pursuant to **Section 2.041** and assigns the replacement to the Project to shadow the Key Personnel s/he is replacing for a period of at least thirty (30) days prior to such Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least thirty (30) days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor shall pay the amount of \$833.33 per day for each day of the thirty (30) day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide thirty (30) days of shadowing shall not exceed \$50,000.00 per individual.

Telecommunications Contract AT&T

Telecommunications Contract AT&T

(c) Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.

(d) Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted in **Section 2.076** for a time as agreed to by the parties.

(e) Staffing Levels.

(i) All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and Contract administration support staff necessary for Contractor to perform its obligations hereunder.

(ii) Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.

(f) Personnel Turnover. The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.

(g) Location. All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.042 Contractor Identification

Contractor employees shall be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.043 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel, and, as reasonably requested by the State, to provide to the State's agents and other contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with such requests for access.

2.044 Subcontracting by Contractor

(a) Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

(b) Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Office of Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time agreed upon by the parties.

(c) In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. Attached as **Exhibit E** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

(d) Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.040, 2.110, 2.150, 2.160, 2.171(c), 2.172(b), 2.180, 2.260, 2.276, 2.297** in all of its agreements with any Subcontractors.

(e) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.045 Contractor Responsibility for Personnel

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

2.050 State Standards

2.051 Existing Technology Standards

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at http://www.michigan.gov/dit/0,1607,7-139-30639_30655---,00.html.

2.052 PM Methodology Standards

The State has adopted a standard documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. See the State's PMM website at <http://www.michigan.gov/projectmanagement>.

The Contractor shall use the State's PPM to manage this Contract. If the Contractor requires training on the PMM, those costs shall be the responsibility of the Contractor, unless otherwise stated.

2.053 Adherence to Portal Technology Tools

The State has adopted the following tools for its Portal Technology development efforts:

- Vignette Content Management and personalization Tool
- Inktomi Search Engine
- E-Pay Payment Processing Module
- Websphere Commerce Suite for e-Store applications

Unless otherwise stated, Contractor must use the Portal Technology Tools to implement web content management and deployment efforts. Tools used for web-based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be coordinated with DIT, Enterprise Application Services Office, e-Michigan Web Development team.

Contractors that are compelled to use alternate tools must have received an exception from DIT, Enterprise Application Services Office, e-Michigan Web Development team, before this Contract is effective.

2.054 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/dit/0,1607,7-139-34305-73760--,00.html>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.060 Deliverables

2.061 Ordering

(a) Any Services/Deliverables to be furnished under this Contract shall be ordered by issuance of written Purchase Orders/Blanket Purchase Order by the State after approval by the Contract Administrator or his/her designee. All orders are subject to the terms and conditions of this Contract. In the event of conflict between an order and this Contract, the Contract shall take precedence as stated in **Section 2.293**. In no event shall any additional terms and conditions contained on a Purchase Order/Blanket Purchase Order be applicable, unless specifically contained in that Purchase Order/Blanket Purchase Order's accompanying Statement of Work.

(b) DIT will continue to oversee the use of this Contract by End Users. DIT may, in writing, delegate to agencies the authority to submit requests for certain services directly to the Contractor. DIT may also designate, in writing, some services as non-delegated and require DIT review and approval before agency acquisition. DIT will use Contractor provided management reports and periodic random agency audits to monitor and administer contract usage for delegated services.

2.062 Software (Reserved)

2.063 Hardware

Exhibit D lists the items of hardware the State is required to purchase for execution the Contract. The list in **Exhibit D** includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). **Exhibit D** also identifies certain items of hardware to be provided by the State.

2.064 Equipment to be New and Prohibited Products

(a) Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

(b) Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.106**.

2.070 Performance

2.071 Performance, In General

The State engages Contractor to execute the Contract and perform the Services/provide the Deliverables, and Contractor undertakes to execute and complete the Contract in its entirety in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

2.072 Time of Performance

(a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.072(a)**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.

(c) If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations in accordance with specified Contract time periods, Contractor shall notify the State in a timely manner and shall use commercially reasonable efforts to perform its obligations in accordance with such Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.

2.073 Liquidated Damages

See requirements

2.074 Bankruptcy

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

To secure the State's progress payments before the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

2.075 RESERVED - Time is of the Essence

2.076 Service Level Agreements (SLAs)

(a) SLAs, if applicable, will be completed with the following operational considerations:

(i) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has occurred as defined in **Section 2.202**,

(ii) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification and/or coordination.

(iii) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. In order to invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.

(iv) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following ("Stop-Clock Conditions"):

1. Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.

2. Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b) Chronic Failure for any Service(s) will be defined as three (3) unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling thirty (30) day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three (3) additional months. The termination of the Service will not affect any tiered pricing levels.

(c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two (2) weeks of outage(s) and provide a recommendation for resolution.

(d) All decimals shall be rounded to two decimal places with 5 and greater rounding up and 4 and less rounding down unless otherwise specified.

2.080 Delivery and Acceptance of Deliverables

2.081 Delivery Responsibilities

Unless otherwise specified by the State within an individual order, the following shall be applicable to all orders issued under this Contract.

(a) Shipment responsibilities - Services performed/Deliverables provided under this Contract shall be delivered "F.O.B. Destination, within Government Premises." The Contractor shall have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.

(b) Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.

(c) Damage Disputes - At the time of delivery to State Locations, the State shall examine all packages. The quantity of packages delivered shall be recorded and any obvious visible or suspected damage shall be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record such.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within fourteen (14) days of receipt. Any damage must be reported to the Contractor within five (5) days of inspection. If this inspection does not occur and damages not reported within thirty (30) days of receipt, the cure for such damaged deliveries shall transfer to the delivery signing party.

2.082 Delivery of Deliverables

(a) Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.083 Testing

(a) Prior to delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and in conformance with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

(b) If a Deliverable includes installation at a State Location, then Contractor shall (1) perform any applicable testing, (2) correct all material deficiencies discovered during such quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State shall be entitled to observe or otherwise participate in testing.

2.084 Approval of Deliverables, In General

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which will include the successful completion of Testing as applicable in **Section 2.083**, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

Telecommunications Contract AT&T

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Prior to commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor in accordance with **Section 2.083(a)**.

(d) The State will approve in writing a Deliverable/Service upon confirming that it conforms to and, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the Contract price for such Deliverable/Service and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if such process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the testing or approval process.

2.085 Process For Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.086 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) Business Days for Services). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Services (or at the State's election, subsequent to approval of the Service). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.087 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.088 Final Acceptance

Unless otherwise stated in the Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable shall occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.080-2.087**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.090 Financial

2.091 Pricing

(a) Fixed Prices for Services/Deliverables

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates (**Exhibit C**). The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

(b) Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope, using the rates in **Exhibit C** unless specifically identified in an applicable Statement of Work.

(c) Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this

Contract.

(d) Labor Rates

All time and material charges will be at the rates specified in **Exhibit C**.

2.092 Invoicing and Payment Procedures and Terms

(a) Invoicing and Payment – In General

(i) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(ii) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates specified in **Exhibit C**. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 2.094**.

(iii) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.

(b) Taxes (See Section 2.305 and Article 3, Section 3.022-3.024 for additional)

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c) Out-of-Pocket Expenses

Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services/ providing the Deliverables (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. See http://www.mi.gov/dmb/0,1607,7-150-9141_13132---,00.html for current rates.

(d) Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

(e) Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

(f) Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract,

other than those claims previously filed in writing on a timely basis and still unsettled.

2.093 State Funding Obligation

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

2.094 RESERVED - Holdback

2.095 Electronic Payment Availability

Electronic transfer of funds is available to State contractors. Contractor is required to register with the State electronically at <http://www.cpexpress.state.mi.us>. Public Act 533 of 2004, requires all payments be transitioned over to EFT by October, 2005.

2.100 Contract Management

2.101 Contract Management Responsibility

(a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with this Contract.

(b) The Services/Deliverables will be provided by the Contractor either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.102 Problem and Contract Management Procedures

Problem Management and Contract Management procedures will be governed by the Contract and the applicable Statements of Work.

2.103 Reports and Meetings

(a) Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

- (i) separately address Contractor's performance in each area of the Services;
- (ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;
- (iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;
- (iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;
- (v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;
- (vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.
- (vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.

Telecommunications Contract AT&T

(viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.

(ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State's request, Contractor shall prepare and circulate minutes promptly after a meeting.

2.104 System Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State's approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

2.105 Reserved

2.106 Change Requests

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) Change Requests

(i) State Requests

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of

Telecommunications Contract AT&T

compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

Telecommunications Contract AT&T

(ii) Contractor Recommendations

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(iv) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(v) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Office of Purchasing Operations.

(vi) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

2.107 Management Tools

Contractor will use an automated tool for planning, monitoring and tracking the Contract's progress. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract: (i) staffing tables with names of personnel assigned to Contract tasks, (ii) project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.

2.110 Records and Inspections

2.111 Records and Inspections

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at Contractor's location(s) to determine if the Contractor is complying with the requirements of the Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with the Contract requirements.

2.112 Errors

(a) If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten percent (10%), then the Contractor shall pay all of the reasonable costs of the audit.

2.120 State Responsibilities

2.121 State Performance Obligations

(a) Equipment and Other Resources. To facilitate Contractor's performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.

(b) Facilities. The State shall designate space as long as it is available and as provided in the Statement of Work, to house Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

(c) Return. Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

(d) Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

2.130 Security

2.131 Background Checks

The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case by case basis. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. Such investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit/service/0,1607,7-179-25781-73760--00.html>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable

use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.140 Reserved

2.150 Confidentiality

2.151 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.152 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

2.153 Protection of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

2.154 Exclusions

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions

of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

2.155 No Implied Rights

Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.156 Remedies

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

2.157 Security Breach Notification

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

2.158 Survival

The parties' respective obligations under this Section shall survive the termination or expiration of this Contract for any reason.

2.159 Destruction of Confidential Information

Promptly upon termination or cancellation of the Contract for any reason, Contractor shall certify to the State that Contractor has destroyed all State Confidential Information.

2.160 Proprietary Rights

2.161 License

AT&T hereby grants to State a perpetual, paid-up, non-exclusive, transferable right and license to use, execute, reproduce, publicly display and publicly perform the AT&T Deliverables as delivered under this Agreement.

2.162 RESERVED - Source Code Escrow

2.163 Rights in Data

(a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

(b) The State is and shall remain the owner of all State-specific data pursuant to the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State shall only use personally identifiable information as strictly necessary to utilize the Services and shall disclose such information only to its employees who have a strict need to know such information, except as provided by law. The State shall comply at all times with all laws and regulations applicable to such personally identifiable information. Other material developed and provided to the State shall remain the State's sole and exclusive property.

2.164 Ownership of Materials

State and Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.165 Standard Software

If applicable and necessary, all Standard Software used in performing the Services shall be provided to the State under a separate license agreement between the State and the owner (or authorized licensor) of such software. Standard Software to be licensed to the State is listed in **Exhibit C**.

2.166 Pre-existing Materials for Custom Software Deliverables

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

2.167 General Skills

Notwithstanding anything to the contrary in this Section, each party, its Subcontractors and their personnel shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing the Services, so long as it or they acquire and apply the foregoing without disclosure of any confidential or proprietary information of the other party.

2.170 Warranties And Representations

2.171 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent,

Telecommunications Contract AT&T

copyright, trade secret, or other proprietary rights of any third party.

(d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.

(h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.

(m) All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

(n) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such contract.

Telecommunications Contract AT&T

2.172 Software Warranties The Software Warranties described below will only apply to the WIN billing software provided by Contractor.

(a) Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of ninety (90) days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

(b) No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

(c) Calendar Warranty

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

(d) Third-party Software Warranty

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the

Contractor to use the Third-party Software.

2.173 Equipment Warranty (See Article 1, Warranties)

2.174 Physical Media Warranty

(a) Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than thirty (30) days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.175 Standard Warranties

Device warranties are provided by the device manufacturer. Contractor will assist the State of Michigan with the facilitation of warranty issues.

2.176 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.

2.180 Insurance

2.181 Liability Insurance

(a) Liability Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverage's provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.

See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Purchasing Operations, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider.

Telecommunications Contract AT&T

All Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Purchasing Operations, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked ☒ below:

- ☒ 1. Commercial General Liability with the following minimum coverage:
\$2,000,000 General Aggregate Limit other than Products/Completed Operations
\$2,000,000 Products/Completed Operations Aggregate Limit
\$1,000,000 Personal & Advertising Injury Limit
\$1,000,000 Each Occurrence Limit
\$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- ☒ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- ☒ 3. Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- ☒ 4. Employers liability insurance with the following minimum limits:
\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease

- ☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible

Telecommunications Contract AT&T

of fifty thousand dollars (\$50,000.00).

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

(b) Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the Office of Purchasing Operations certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

2.190 Indemnification

2.191 Indemnification

(a) General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

(b) Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

(c) Employee Indemnification

In any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

(d) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.192 Continuation of Indemnification Obligations

The Contractor's duty to indemnify pursuant to this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

2.193 Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

(a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.200 Limits of Liability and Excusable Failure

2.201 Limits of Liability

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or \$200,000 (for low risk contracts – Select a higher amount for moderate to high risk contracts) which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of the Contract.

Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or

damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

2.202 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its Subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than ten (10) Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State shall not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.203 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or manmade disaster.

2.210 Termination/Cancellation by the State

The State may terminate this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

2.211 Termination for Cause

(a) In the event that Contractor breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA as defined in **Section 2.076**), which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) days), or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.

(b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

(c) In the event the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State shall pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

(d) In the event this Contract is terminated for cause pursuant to this Section, and it is determined, for any reason, that Contractor was not in breach of contract pursuant to the provisions of this section, that termination for cause shall be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in this Contract for a termination for convenience.

2.212 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

2.213 Non-Appropriation

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State shall give Contractor at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise made available, the State may, upon thirty (30) days written notice to Contractor, reduce the level of the

Services or the change the production of Deliverables in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.

(c) In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.214 Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State reflects upon Contractor's business integrity.

2.215 Approvals Rescinded

The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

2.216 Rights and Obligations Upon Termination

(a) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in Deliverables that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.217 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

2.218 Contractor Transition Responsibilities

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed ninety (90) days. These efforts shall include, but are not limited to, the following:

(a) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

(b) Information - The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

(d) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

(e) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified by **Exhibit D**. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.219 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

2.220 Termination by Contractor

2.221 Termination by Contractor

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with **Section 2.090**, or if the State breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 2.250** before any such termination.

2.230 Stop Work

2.231 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this **Section 2.230**. Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.210**.

2.232 Cancellation or Expiration of Stop Work Order

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.106**.

2.233 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under **Section 2.212**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.230**.

2.240 Reserved

2.250 Dispute Resolution

2.251 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work shall be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor shall submit a letter executed by Contractor's Contract Administrator or his designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to

Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the supporting data provided with such an affidavit are current and complete to Contractor's best knowledge and belief.

2.252 Informal Dispute Resolution

(a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:

(i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.

(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within sixty (60) calendar days, the Director of Purchasing Operations, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.

(b) This **Section 2.250** will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to **Section 2.253**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to the Contract.

2.253 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.252** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.254 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.210** and **2.220**, as the case may be.

2.260 Federal and State Contract Requirements

2.261 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract

will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and any breach of this provision may be regarded as a material breach of the Contract.

2.262 Unfair Labor Practices

Pursuant to 1980 PA 278, MCL 423.231, *et seq.*, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.263 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.270 Litigation

2.271 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions thereto, to which Contractor (or, to the extent Contractor is aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor hereunder; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to the Contract Administrator within thirty (30) days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section. In that regard, all litigation is disclosed within the SEC Filings of AT & T. These filings can be found in the following site: <http://www.wireless.att.com/about/investors.jsp>. Additionally, if Contractor becomes aware that either a change of ownership is about to occur or has occurred, any changes to asset valuations occurred or will occur, or any changes to company affiliations will occur or has occurred, AT & T Mobility will search out legal approval to ascertain when these described notifications can be presented to the State of Michigan. Please note that an attempt to secure an approval to disclose this information is not a binding promise that such an approval shall be granted. Contractor's account team will make best efforts to provide notification of any litigation that is pertinent to the State of Michigan.

(b) Assurances. In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or

Telecommunications Contract AT&T

(ii) whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:

(A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and

(B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

(c) Contractor shall make the following notifications in writing:

(1) Within thirty (30) days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify the Office of Purchasing Operations.

(2) Contractor shall also notify the Office of Purchasing Operations within thirty (30) days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor shall also notify Purchasing Operations within thirty (30) days whenever changes to company affiliations occur.

2.272 Governing Law

The Contract shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.273 Compliance with Laws

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services/Deliverables.

2.274 Jurisdiction

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.280 Environmental Provision

2.281 Environmental Provision

For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, such construction materials as paint thinners, solvents, gasoline, oil, etc., and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act. This Contract does not cover the handling, removal, or disposal of all Hazardous Materials.

(a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material in accordance with all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Prior to the commencement of Work, the State shall advise Contractor of the presence at the work site of any Hazardous Material to the extent that

the State is aware of such Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, give written notice to the State of the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the affected Work shall be resumed as directed in writing by the State. Any determination by the Michigan Department of Community Health and/or the Michigan Department of Environmental Quality (whichever is applicable) that the Hazardous Material has either been removed or rendered harmless shall be binding upon the State and Contractor for the purposes of resuming the Work. If any such incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material in accordance with Applicable Laws to the condition approved by applicable regulatory agency(ies). If the Contractor fails to take appropriate action pursuant to Applicable Laws and consistent with the State requirements, then the State may take appropriate action.

2.290 General

2.291 Amendments

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties.

2.292 Assignment

(a) Neither party shall have the right to assign the Contract, or to assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

2.293 Entire Contract; Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to

Telecommunications Contract AT&T

such subject matter and as additional terms and conditions on the purchase order shall apply as limited by **Section 2.061**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of **Sections 2.110 through 2.220** of the Contract, which may be modified or amended only by a formal Contract amendment.

2.294 Headings

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

2.295 Relationship of the Parties (Independent Contractor Relationship)

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of Contractor or any of its Subcontractors shall be or shall be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.296 Notices

(a) Any notice given to a party under the Contract shall be deemed effective, if addressed to such party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Doug Collier

Office of Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Phone: 517-335-4804
E-mail: collierd1@michigan.gov

with copies to:

Michael Breen

Department of Information Technology
Constitution Hall, 1st Floor N Tower
Lansing, MI 48909
E-mail: breenm@michigan.gov
(517) 241-7720

and

Steve McMahon

Michigan Dept. of Information Technology – Telecommunications
608 W. Allegan
Lansing, MI 48913
Phone: 517-373-6353
E-mail: mcmahons@michigan.gov

Contractor(s): To be added at award by DMB

Telecommunications Contract AT&T

Name
Address

Either party may change its address where notices are to be sent by giving notice in accordance with this Section.

2.297 Media Releases and Contract Distribution

(a) Media Releases

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.

(b) Contract Distribution

Purchasing Operations shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.298 Reformation and Severability

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

2.299 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

2.300 No Waiver of Default

The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

2.301 Survival

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.302 Covenant of Good Faith

Each party agrees that, in its dealings with the other party or in connection with the Contract, it shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.303 Permits

Contractor shall obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.304 Website Incorporation

State expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other

communication, unless the State has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State.

2.305 Taxes

Vendors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes defined in Section 3.022 for all persons involved in the resulting Contract.

The State may refuse to award a contract to any Vendor who has failed to pay any applicable State taxes. The State may refuse to accept Vendor's bid, if Vendor has any outstanding debt with the State. Prior to any award, the State will verify whether Vendor has any outstanding debt with the State.

2.306 Prevailing Wage

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.307 Call Center Disclosure

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this Contract.

2.308 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a leading edge on the competitive RFP.

2.310 Reserved

2.320 Extended Purchasing

2.321 MiDEAL

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at:

Telecommunications Contract AT&T

<http://www.michigan.gov/doingbusiness/0,1607,7-146-6586-16656--,00.html>. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment at the established State of Michigan contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

2.322 State Employee Purchases

The State allows State employees to purchase from this Contract. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the State employee is an authorized purchaser before extending the Contract pricing or discounts.

The Contractor will supply Contract Services and Deliverables at the established State of Michigan contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the State employee on a direct and individual basis.

To the extent that authorized State employees purchase quantities of Services and/or Deliverables under this Contract, the quantities of Services and/or Deliverables purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

2.330 Federal Grant Requirements

2.331 RESERVED - Federal Grant Requirements

Telecommunications Contract AT&T

Exhibit A
Area Coverage Maps

Please use the following Link to get the most current Coverage's

<http://www.wireless.att.com/coverageviewer/>

Telecommunications Contract AT&T

Exhibit B Pricing

Package A: Basic Voice Service with Optional Data

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package A – Option 1a National Flat Rate \$0.09	none	\$4.75	\$4.75	\$0.09 per minute	Included	Included	none	none	none	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	Unlimited BB or PDA data may be added at \$30.00 after discounts.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package A – Option 1b National Flat Rate \$0.06	none	\$9.75	\$9.75	\$0.06 per minute	Included	Included	unlimited	none	unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail – Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	Minimum average usage of 200 minutes per user required. Unlimited BB or PDA data may be added at \$30.00 after discounts.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package A – Option 2a GOV Nation Pooled 300 Anytime & 5000 NW & UNL MTM \$39 with 22% discount	300	\$39	\$30.42	\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	22% discount applies to all voice and data access plans for 0- 999 lines. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Account Number (BAN). Unlimited BB or PDA data may be added at \$30.00. See GOV Nation Pooled Table for all plans available.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package A – Option 2b GOV Nation Pooled 300 Anytime & 5000 NW & UNL MTM \$39 with 23% discount- Minimum commitment of 1000 lines.	300	\$39	\$30.03	\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	23% discount applies to all voice and data access plans. Discount does not apply to additional features. Minimum commitment of 1000 lines. In order to pool, all subscribers must be on the same Billing Account Number (BAN). Unlimited BB or PDA data may be added at \$30.00. See GOV Nation Pooled Table for all plans available.

Telecommunications Contract AT&T

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package A – Option 2c GOV Nation Pooled 300 Anytime & 5000 NW & UNL MTM \$39 with 24% discount- Minimum commitment of 5000 lines.	300	\$39	\$29.64	\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	24% discount applies to all voice and data access plans. Discount does not apply to additional features. Minimum commitment of 5000 lines. In order to pool, all subscribers must be on the same Billing Account Number (BAN). Unlimited BB or PDA data may be added at \$30.00. See GOV Nation Pooled Table for all plans available.

Telecommunications Contract AT&T

Package B: Push-To-Talk with Optional Data Services

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package B – Option 1a Push-To-Talk with National Flat Rate Plans \$0.09	none	\$9.99	\$14.74	\$0.09 per minute	Included	Included	none	none	none	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	Monthly package rate includes \$4.75 National Flat Rate and \$9.99 Push-To-Talk feature. Unlimited BB or PDA data may be added at \$30.00 after discounts.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package B – Option 1b Push-To-Talk with National Flat Rate Plans \$0.06	none	\$9.99	\$19.74	\$0.06 per minute	Included	Included	unlimited	none	unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail – Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	Minimum average usage of 200 minutes per user required. Monthly package rate includes \$9.75 National Flat Rate and \$9.99 Push-To-Talk feature. Unlimited BB may be added at \$30.00 after discounts.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package B – Option 2a Push-To-Talk with GOV Nation Pooled 300 Anytime & 5000 NW & UNL MTM \$39 with 22% discount.	300	\$9.99	\$40.41	\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	22% discount applies to all voice and data access plans for 0-999 lines. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Account No. Monthly pkg rate includes \$30.42 Gov Nation Pooled & \$9.99 push-to-talk feature. Unlimited BB may be added at \$30.00. See Gov Nation Pooled Table for all plans available.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package B – Option 2b Push-To-Talk with GOV Nation Pooled 300 Anytime & 5000 NW & UNL MTM \$39 with 23% discount. Minimum commitment of 1000 lines.	300	\$9.99	\$40.02	\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	23% discount applies to all voice and data access plans for 1000-4999 lines. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Account No. Only up to 4 GOV Nation Pooled plans may be used on a single Foundation Account Number (FAN). Monthly pkg rate includes \$30.03 Gov Nation

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
											Pooled & \$9.99 push-to-talk feature. Unlimited BB may be added at \$30.00. See Gov Nation Pooled Table for all plans available.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package B – Option 2c Push-To-Talk with GOV Nation Pooled 300 Anytime & 5000 NW & UNL MTM \$39 with 24% discount. Minimum commitment of 5000 lines.	300	\$9.99	\$39.63	\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	24% discount applies to all voice and data access plans for 5000 or more lines. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Acc No. Monthly pkg rate includes \$30.03 Gov nation pooled & \$9.99 push-to-talk feature. Unlimited BB may be added at \$30.00. See Gov Nation Pooled Table for available plans.

Telecommunications Contract AT&T

Package C: Data Connect and Blackberry/PDA Connect

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 1a Blackberry/PDA Connect Unlimited plus national Flat Rate plans \$0.09	none	\$30	\$34.75	Unlimited Data/ \$0.09 per minute	Included	Included	none	none	none	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	Monthly package rate includes \$4.75 National Flat Rate and \$30 Unlimited BB. Included Data Unlimited, Additional data \$0/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 1b Blackberry/PDA Connect Unlimited plus national Flat Rate plans \$0.06	none	\$30	\$39.75	Unlimited Data/ \$0.06 per Minute	Included	Included	unlimited	none	unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	Minimum average usage of 200 minutes per user required. Monthly package rate includes \$9.75 National Flat Rate and \$30 Unlimited BB Included Data Unlimited, Additional data \$0/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 1c Blackberry/PDA Connect 4MB plus national Flat Rate plans \$0.09	none	\$24.99	\$29.74	\$0.005/ KB/ \$0.09 per minute	Included	Included	none	none	none	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	Monthly package rate includes \$4.75 National Flat Rate and \$24.99 BB. Included Data 4MB, Additional data \$0.005/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 1d Blackberry/PDA Connect 4MB plus national Flat Rate plans \$0.06	none	\$24.99	\$34.74	\$0.005/KB/\$0.06 per minute	Included	Included	unlimited	none	unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	Minimum average usage of 200 minutes per user required. Monthly package rate includes \$9.75 National Flat Rate and \$24.99 BB. Included Data 4MB, Additional data \$0.005/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 2a Blackberry or PDA Connect Unlimited plus Gov Nation Pooled 300 with 22% discount	300	\$30	\$60.42	Unlimited Data/\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	22% discount applies to all voice and data access plans. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Acc No Monthly pkg rate includes \$30.42 Gov Nation Pooled 300 and \$30 Unlimited BB. Included Data Unlimited, Additional data \$0/KB, Canadian data \$0.015/KB, Internl data \$0.02/KB. See Gov Nation Pooled Table for all avail. plans.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 2b Blackberry or PDA Connect Unlimited plus Gov Nation Pooled 300 with 23% discount. Minimum commitment of 1000 lines.	300	\$30	\$60.03	Unlimited Data/\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	23% discount applies to all voice and data access plans. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Acc. No. Monthly package rate includes \$30.03 Gov Only Pooled 300 Plan and \$30 Unlimited BB. Included Data Unlimited, Additional data \$0/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB. See GOV Nation Pooled Table for all avail. plans.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 2c Blackberry or PDA Connect Unlimited plus Gov Nation Pooled 300 with 24% discount. Minimum commitment of 5000 lines.	300	\$30	\$59.64	Unlimited Data/\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	24% discount applies to all voice and data access plans. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Acc. No. Monthly package rate includes \$29.64 Gov Only Pooled 300 Plan and \$30 Unlimited BB or PDA Connect. Included Data Unlimited, Additional data \$0/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB. See GOV Nation Pooled Table for all avail. plans.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 2d Blackberry or PDA Connect 4MB plus Gov Nation Pooled 300 with 22% discount	300	\$24.99	\$55.41	\$0.005/KB/\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	22% discount applies to all voice and data access plans. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Acc.No. Monthly package rate includes \$30.42 Gov Nation Pooled 300 and \$24.99 BB or PDA Connect. Included Data 4MB, Additional data \$0.005/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB. See GOV Nation Pooled Table for all avail. plans.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 2e Blackberry or PDA Connect 4MB plus Gov Nation Pooled 300 with 23% discount. Minimum commitment of 1000 lines.	300	\$24.99	\$55.02	\$0.005/KB/\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	23% discount applies to all voice and data access plans. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Acc. No. Monthly package rate includes \$30.03 Gov Only Pooled 300 Plan and \$24.99 BB or PDA Connect. Included Data 4MB, Additional data \$0.005/KB, Canadian Data \$0.015/KB,

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
											International Data \$0.02/KB. See GOV Nation Pooled Table for all plans available.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 2f Blackberry or PDA Connect 4MB plus Gov Nation Pooled 300 with 24% discount. Minimum commitment of 5000 lines.	300	\$24.99	\$54.63	\$0.005/K B/\$0.25 per minute	Included	Included	5,000	none	Unlimited	Detailed Billing, Three-Way Calling, Call Forwarding, Caller ID, Call Waiting, Basic Voice Mail - Airtime minutes may be charged for accessing voicemail via your phone, Txt Msg \$.20/msg.	24% discount applies to all voice and data access plans. Discount does not apply to additional features. In order to pool, all subscribers must be on the same Billing Account No. Monthly package rate includes \$29.64 Gov Only Pooled 300 Plan and \$24.99 BB or PDA Connect. Included Data 4MB, Additional data \$0.005/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB. See GOV Nation Pooled Table for all plans available.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 3a (PC Air Card Plans) Data Connect (10MB)	none	29.99	\$23.39	\$0.006/KB	N/A	Included	N/A	N/A	N/A	With Data Connect for your laptop - you can send and receive email, browse the Internet, and access your corporate intranet while on the go by connecting your laptop to the Internet over the AT&T wireless network. Service is not available at all times in all places. View Map and Coverage Limitations.	Includes 10 MB domestic Data, Additional data \$0.006/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB. Monthly Package Rate includes 22% discount.

Telecommunications Contract AT&T

Monthly Access Rate	Packaged Minutes	Fixed Rate	Monthly Package Rate	Overage Rate	LD Domestic Rate	Domestic Roaming Rate	Night & Weekends	Rollover	Mobile to Mobile Minutes Included	Features Included	Plan Includes
Package C – Option 3b Data Connect (Unlimited) (PC Air Card Plans)	none	59.99	\$46.79	Unlimited domestic	N/A	Included	N/A	N/A	N/A	With Data Connect for your laptop - you can send and receive email, browse the Internet, and access your corporate intranet while on the go by connecting your laptop to the Internet over the AT&T wireless network. Service is not available at all times in all places. View Map and Coverage Limitations.	Includes Unlimited Domestic Data, Additional data \$0/KB, Canadian Data \$0.015/KB, International Data \$0.02/KB. Monthly Package Rate includes 22% discount.

Telecommunications Contract AT&T

National Flat Rate Plans Pricing Grid

Rate Plan Name	MRC	Net Price to State of MI	Rate per Minute	Nights/Weekends	M2M
Nation Flat Rate	\$4.75	\$4.75	\$0.09	None	None
Nation Flat Rate * Minimum 200 Billable Average Minutes of Use Required Per Subscriber	\$9.75	\$9.75	\$0.06	Unlimited	Unlimited

* AT&T will review quarterly to determine average Billable MOU per subscriber for the State per section 4.2.2 of Exhibit E Program Description.

Voice and Data Plan Discount Grid

CRU Discount	Voice Rate Plans*	Data Rate Plans*	CRU Commitment
22%	All Published Voice Rate Plans	All Published Data Rate Plans	none
23%	All Published Voice Rate Plans	All Published Data Rate Plans	999 lines
24%	All Published Voice Rate Plans	All Published Data Rate Plans	4999 lines

* \$4.75 National Flat Rate, \$9.75 National Flat Rate, \$30 Unlimited Blackberry/PDA Connect, and \$24.99 4MB Blackberry/PDA Connect have these discounts already calculated in the price point

Unlimited Voice/Data Plan Grid

Rate Plan Name	MRC	Net Price to State of MI*	Rate per Minute	Nights/Weekends	M2M
Unlimited Voice/Data Monthly Plan for Blackberry	\$119.98	\$119.98	\$0.00	Unlimited	Unlimited
Unlimited Voice/Data Monthly Plan for PDA	\$114.98	\$114.98	\$0.00	Unlimited	Unlimited

* Discounts do apply to Unlimited Voice/Data Monthly plans in accordance with the Voice and Data Plan Discount Grid above. Unlimited minutes and data apply to domestic service only. Pay per use Text and MMS apply and is not included with unlimited BB and PDA data service.

Government Only 100 Minute Nation Pooled Plans (Discounts do apply)

Billing Code	Price Plan Description	CPC Rate Plan Name
GOVP100	GOVTNBPNTN100UM5000	GOV Nation Pooled & 5000 NW & UNL MTM \$30
GOVP200	GOVTNBPNTN200UM5000	GOV Nation Pooled 200 Anytime & 5000 NW & UNL MTM \$34
GOVP300	GOVTNBPNTN300UM5000	GOV Nation Pooled 300 Anytime & 5000 NW & UNL MTM \$39
GOVP400	GOVTNBPNTN400UM5000	GOV Nation Pooled 400 Anytime & 5000 NW & UNL MTM \$44
GOVP500	GOVTNBPNTN500UMUNW	GOV Nation Pooled 500 Anytime & UNL NW & UNL MTM \$49
GOVP600	GOVTNBPNTN600UMUNW	GOV Nation Pooled 600 Anytime & UNL NW & UNL MTM \$53
GOVP700	GOVTNBPNTN700UMUNW	GOV Nation Pooled 700 Anytime & UNL NW & UNL MTM \$57
GOVP800	GOVTNBPNTN800UMUNW	GOV Nation Pooled 800 Anytime & UNL NW & UNL MTM \$61
GOVP900	GOVTNBPNTN900UMUNW	GOV Nation Pooled 900 Anytime & UNL NW & UNL MTM \$65
GOVP1000	GOVTNBPNTN1000UMUNW	GOV Nation Pooled 1000 Anytime & UNL NW & UNL MTM \$70
GOVP6000	GOVTNBPNTN6000UMUNW	GOV Nation Pooled 6000 Anytime & UNL NW & UNL MTM \$205

* Only up to 4 GOV Nation Pooled plans may be used on a single Foundation Account Number (FAN).

Telecommunications Contract AT&T

Government Only 100 Minute Nation Plans (Discounts do apply)

Billing Code	Price Plan Description	CPC Rate Plan Name
GOV100	GOVNTN100UM2M5000NW	GOV Nation 100 Anytime & UNL MTM & 5000 NW \$25
GOV200	GOVNTN200UM2M5000NW	GOV Nation 200 Anytime & UNL MTM & 5000 NW \$29
GOV300	GOVNTN300UM2M5000NW	GOV Nation 300 Anytime & UNL MTM & 5000 NW \$34
GOV400	GOVNTN400UM2M5000NW	GOV Nation 400 Anytime & UNL MTM & 5000 NW \$39
GOV500	GOVNTN500UM2MUNLNW	GOV Nation 500 Anytime & UNL MTM & UNL NW \$44
GOV600	GOVNTN600UM2MUNLNW	GOV Nation 600 Anytime & UNL MTM & UNL NW \$48
GOV700	GOVNTN700UM2MUNLNW	GOV Nation 700 Anytime & UNL MTM & UNL NW \$52
GOV800	GOVNTN800UM2MUNLNW	GOV Nation 800 Anytime & UNL MTM & UNL NW \$56
GOV900	GOVNTN900UM2MUNLNW	GOV Nation 900 Anytime & UNL MTM & UNL NW \$60
GOV1000	GOVNTN1000UM2MUNLNW	GOV Nation 1000 Anytime & UNL MTM & UNL NW \$65
GOV6000	GOVNTN6000UM2MUNLNW	GOV Nation 6000 Anytime & UNL MTM & UNL NW \$200

* Only up to 4 GOV Nation Pooled plans may be used on a single Foundation Account Number (FAN).

Telecommunications Contract AT&T

Exhibit C Approved Hardware

Handset and Accessory Pricing

Equipment	Description	SKU	National Contract Price	State of MI Price	
Nokia 6085	Basic Voice Handset-Flip	64687	\$189.99	\$0.00	
VPA	Vehicle Power Adapter	71269	\$29.99	\$0.00	
Ear Bud	Basic Headset	71313	\$29.99	\$0.00	
Case	Case	71284	\$29.99	\$0.00	
Nokia 2610	Non Camera Handset	64681	\$169.99	\$0.00	
VPA	Vehicle Power Adapter	71257	\$29.99	\$0.00	
Ear Bud	Basic Headset	Not available			
Case	Case	71285	\$29.99	\$0.00	
Motorola Razr G	Camera Handset	64664	\$259.99	\$9.99	
VPA	Vehicle Power Adapter	71280	\$29.99	\$0.00	
Ear Bud	Basic Headset	71347	\$24.99		
Case	Case	71265	\$19.99	\$0.00	
Blackberry 8700	EDGE BB Email PDA with Bluetooth	64725	\$ 499.99	\$0.00	With the activation of voice and data plans. Data only \$49.99
VPA	Vehicle Power Adapter	71403	\$29.99	\$0.00	
Ear Bud	Basic Headset	Included			
Case	Case	71465	\$29.99	\$0.00	
Blackberry 8820	EDGE BB Email PDA with Bluetooth WIFI, and GPS	64737	\$629.99	\$99.99	With the activation of voice and data plans. Data only \$199.99
VPA	Vehicle Power Adapter	71403	\$29.99	\$0.00	
Ear Bud	Basic Headset	71227	\$29.99	\$0.00	
Case	Case	71495	\$19.99	\$0.00	
Blackberry 8310	EDGE BB Email PDA with Bluetooth and GPS	64768	\$629.99	\$49.99	With the activation of voice and data plans. Data only \$199.99
VPA	Vehicle Power Adapter	71403	\$29.99	\$0.00	
Ear Bud	Basic Headset	71227	\$29.99	\$0.00	
Case	Case	71495	\$19.99	\$0.00	

Exhibit D
Account Rep Info

AT&T Mobility Account Representative:

Ed McGlinchey
Phone: (616) 570-2925
Email: em2583@att.com

Mailing address:
AT&T
Attn: Ed McGlinchey
1188 East Paris Ave, SE
Grand Rapids, MI 49506

Exhibit E Program Description

**AT&T CORPORATE DIGITAL ADVANTAGE AGREEMENT
VERSION 4B**

Agreement: This AT&T Corporate Digital Advantage Agreement between Customer, on behalf of itself and as agent for its Affiliates, and AT&T Mobility National Accounts LLC ("AT&T"), on behalf of itself and as agent for the Carriers, consists of this Cover Page, the attached AT&T Corporate Digital Advantage Program Description (the "Program Description"), applicable Attachments found at the Program Website (collectively, the "Agreement"). ***The General Terms and Conditions on the Program Website do not apply to agreement.***

Program Website: www.att.com/cda

**AT&T CORPORATE DIGITAL ADVANTAGE AGREEMENT
PROGRAM DESCRIPTION**

1. Service AT&T, through Carriers, will provide Service to Customer, its Affiliates and their respective Employees

2. AT&T Corporate Digital Advantage Program Eligibility Requirements; CRU Term.

2.1 Eligibility Requirements. Customer must at all times meet the following program eligibility requirements in AT&T Markets:

2.1.1 Minimum End User Requirement. Customer must have at least fifty (50) End Users receiving Service at all times.

2.2 Program Components. In the event Customer fails to comply with the eligibility requirements of §2.1, Customer is no longer eligible for the Service Discount, the Equipment Discount, or any other program components, and AT&T may immediately discontinue provisioning all such program components in addition to pursuing any other remedies available under the Agreement.

3. Service Discount.

3.1 Corporate Responsibility User (CRU) Service Discount. AT&T will provide Customer with the following CRU MSC Service Discount in accordance with Table 3.1. Customer must make a CRU Line Commitment of either (a) 1-999 CRU End Users receiving service at all times; (b) 1,000-4,999 CRU End Users receiving service at all times; or (c) 5,000+ CRU End Users receiving service at all times. AT&T will **not** apply the MSC Service Discount to: (a) any Qualified Charges except the Monthly Service Charge; (b) other monthly service charges such as monthly recurring charges for features; and/or (c) any other charges under the Agreement. **AT&T may restrict certain CRU Lines from qualifying for the Service Discount. AT&T will advise Customer when such restrictions apply.**

Table 3.1

Customer CRU End User Line Commitment (includes MiDEAL members)	1-999	1,000-4,999	5,000+
CRU MSC Service Discount	22%	23%	24%

3.2 Individual Responsibly User (IRU) Service Discount. AT&T will provide Customer with the following IRU MSC Service Discount: Fifteen percent (15%) for Employee IRUs. AT&T will not apply the MSC Service Discount to (a) other monthly service charges such as monthly recurring charges for features; and/or (b) any other charges under the Agreement. **AT&T may restrict certain Plans or certain other discount programs from qualifying for the Service Discount. AT&T will advise Customer when such restrictions**

apply.

4. Business Nation Flat Rate Plan. In addition to any other Plan offered under this Agreement, only Customer's CRUs may activate Service on AT&T's Business Nation Flat Rate Plan. Notwithstanding anything to the contrary in the terms and conditions of the Business Nation Flat Rate Plan (as detailed in the current calling plan brochure or Sales Information), AT&T and Customer agree that the Monthly Service Charge and Home Airtime Rate will be as follows:

4.1.1 Business Nation Flat Rate \$4.75 Monthly Service Charge Plan.

Monthly Service Charge:	\$4.75
Home Airtime Rate:	\$0.09 per minute
Mobile-to-mobile:	no Mobile-to-mobile included
Night / Weekend:	no Night / Weekend included

4.1.2 Eligibility. Only Customer's CRUs are eligible to activate Service on the Business Nation Flat Rate \$4.75 Monthly Service Charge Plan.

4.2.1 Business Nation Flat Rate \$9.75 Monthly Service Charge Plan.

Monthly Service Charge:	\$9.75
Home Airtime Rate:	\$0.06 per minute
Mobile-to-mobile:	included at no additional charge
Night / Weekend:	included at no additional charge

4.2.2 Eligibility and MOU Requirement. Only Customer's CRUs are eligible to activate Service on the Business Nation Flat Rate \$9.75 Monthly Service Charge Plan. Customer must maintain a monthly average of two hundred (200) billable minutes of use (MOU) measured across all CRUs subscribing to the Business Nation Flat Rate \$9.75 Monthly Service Charge Plan. If Customer fails to meet the monthly billable minimum average MOU requirement in any month on the Business Nation Flat Rate \$9.75 Monthly Service Charge Plan, the shortfall(s) will to be billed to Customer on a calendar quarter basis at the Home Airtime Rate, as set forth above.

5. Equipment. Subject to the restrictions set forth in this §5, AT&T will provide Customer with an Equipment Discount on select Equipment found at the "Equipment" page of the Program Website, as may be modified by AT&T from time to time, in accordance with Table 5. AT&T will apply the Equipment Discount only to the prices set forth on the Program Website, as may be modified by AT&T from time to time. AT&T will only provide Equipment with Service activated. The Equipment Discount will not apply to upgrade purchases and may not be combined with any other equipment offer.

**Table 5
Equipment Discount**

CRU Term
0-Year
50%

6. Financial Responsibility. Customer must pay for all charges incurred under the Agreement. Notwithstanding the previous language in this section, ATT acknowledges that the State will allow MiDEAL participants to purchase under this contract. MiDEAL participants are responsible for the charges they incur

under this agreement.

7. Billing Services and Invoicing Options. Customer will receive certain billing analysis tools using the WIN Advantage® software. With respect to Service, Customer will have the invoicing options set forth in this §7.

7.1 Consolidated Invoicing. Under consolidated invoicing, AT&T will provide an invoice each month through the WIN Advantage® software consolidating all CRUs' Service charges for the preceding monthly billing cycle, except as may otherwise be noted in applicable online or printed terms and conditions of an AT&T offer, product, service, or Plan. Customer must promptly notify AT&T of any Numbers to be added or deleted from Customer's invoice.

7.2 Corporate Responsibility User Invoicing. Under Corporate Responsibility User invoicing, AT&T will provide an invoice each month to Customer's CRUs setting forth such CRUs' Service charges for the preceding monthly billing cycle.

8. Reserved.

9. Customer's Affiliates. Customer agrees that any of its Affiliates receiving Service under the Agreement meet, and will continue to meet throughout the term of the Agreement, the definition of "Affiliate" set forth in §14 of the General Terms and Conditions.

14.1.1 "Affiliate" (a) when referring to an affiliate of AT&T, means and includes legal entities controlling or controlled by or under common control with AT&T; and (b) when referring to an affiliate of Customer, means and includes an entity controlling or controlled by or under common control with Customer, where control is defined as (i) the ownership of at least thirty five percent (35%) of the equity or beneficial interest of such entity; or (ii) the right to vote for or appoint a majority of the board of directors or other governing body of such entity.

10. Resale and Other Prohibited Uses. Customer, its Affiliates (if applicable) and their respective CRUs are not permitted to resell, reproduce, retransmit, or disseminate Service or any other program components to third parties whether directly or indirectly including, without limitation, through machine to machine transmissions.

11. Definitions. In addition to terms defined elsewhere, these terms have the following meanings in the Agreement:

11.1 "CRU" and "Corporate Responsibility User" mean an Employee receiving Service under Customer's account.

11.2 "CRU Term" means with respect to each CRU, a Service term of zero (0) years selected by a CRU or Customer on behalf of such CRU. The CRU Term begins on the date the corresponding CRU is activated on Service under this Agreement.

11.3 "Effective Date" means the effective date of this Agreement.

11.4 "Employees" means Customer's or its Affiliate's current, validated personnel receiving Federal W-2 or K-1 tax treatment.

11.5 "Equipment Discount" means a discount on select Equipment found at the Program Website, as described in this Program Description.

11.6 "End Users" means CRUs and IRUs, collectively.

11.7 “IRU” and “Individual Responsibility User” mean an Employee receiving Service under an individual account.

11.8 “IRU Service Agreement” means a separate two (2) year agreement between an IRU and AT&T for Service, Equipment and related matters.

11.9 Reserved.

11.10 “Monthly Service Charge” means a Plan’s monthly wireless access charges (i.e., the set fee charged monthly for use of a particular Plan).

11.11 “MSC Service Discount” or “Monthly Service Charge Discount” means the Service Discount applied to an eligible End User’s Monthly Service Charge as described in this Program Description. Unless otherwise specified, the term “Service Discount” found in any Attachments incorporated into this Agreement means the MSC Service Discount with respect to End Users in AT&T Markets.

11.12 “Non-Qualified Charges” refers to the following charges: (a) charges for long distance service, (b) all charges for local landline interconnect, toll services and other charges arising from or related to wireless operators providing long distance service, (c) monthly access charges related to AT&T’s abbreviated dialing code product, (d) all charges for Equipment, (e) roaming charges when not using AT&T’s wireless network, (f) charges for other goods and services that Customer, a CRU and/or an IRU authorizes to be charged through the wireless bill; (g) shipping and handling charges; (h) all Taxes; and (i) all other charges not described as “Qualified Charges” herein.

11.13 “Qualified Charges” refers to the following undiscounted Service charges: (a) one-time charges for Service activation and conversion, (b) the Monthly Service Charge, (c) home wireless usage charges, (d) roaming charges incurred by Numbers provisioned from AT&T Markets while roaming in other AT&T Markets and using AT&T’s wireless network, (e) charges for detail billing, (f) charges for tethering when using AT&T’s wireless network, and (g) charges for additional wireless service features such as voice mail when using AT&T’s wireless network, but excluding enhanced features such as directory assistance or fee-based information services.

11.14 “Service Discount” means a monthly discount on Service, applied to an End User’s Qualified Charges or Monthly Service Charge as described in this Program Description.

11.15 “Service Revenue” means revenue from Qualified Charges realized by AT&T.

11.16 “Term Year” means any year of the term of the Agreement, including any renewal year.

11.17 “WIN Advantage®” means the Wireless Information Navigator Advantage™ software, together with all updates and modifications thereto, as described in the Wireless Information Navigator Advantage™ Attachment found at the Program Website.